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NEWS SUMMARY

GENERAL

U.S. may mediate over Falklands

The U.S. has offered to mediate between Britain and Argentina as fears grow over the diplomatic deadlock over the Falklands Islands.

The U.S. ambassador to Buenos Aires, Mr Harry Shlaudeman, has been involved in negotiations over the island of South Georgia since the start of the week.

Argentina confirmed that two submarines, two destroyers and an aircraft carrier had been sent to the area. Unconfirmed reports said a British nuclear submarine had left from Gibraltar for the Falklands. Back Page

Brezhnev 'ill'

Soviet President Brezhnev, 75, is receiving hospital treatment for an undisclosed ailment, it was reported.

Sub spotted

An unidentified foreign submarine was under RAF and Royal Navy surveillance in a "general area south of the Hebrides," the Navy said.

Vietnam sacking

Gen. Vo Nguyen Giap, architect of military victories over France and the U.S., was one of six dropped from the Vietnam Communist Party's politburo. Page 4

Sharon invited

Egypt invited Israeli Defence Minister Ariel Sharon to Cairo next week to try to solve problems over Israel's withdrawal from Sinai this month. Page 4

Plea to Prior

Irish Foreign Minister Gerry Collins urged Ulster Secretary James Prior to postpone plans for devolved government in Northern Ireland. Page 10

Shirley's doubts

Shirley Williams publicly expressed her reservations about MP Roy Jenkins becoming leader of both the SDP and the SDP-Liberal Alliance. Page 10

Paris gun attack

Masked men raked an Israeli embassy building in Paris with gunfire. The embassy blamed the Palestine Liberation Organisation.

Under cover

Seven English cricketers who have been playing in South Africa returned to London yesterday covering their faces with baseball hats because they did not want to be photographed.

Dissident's trial

Ivan Kovalyov, one of the last active Soviet human rights campaigners, went on trial in Moscow charged with anti-Soviet agitation.

Tennis prizes

This year's Wimbledon tennis championships will distribute £593,336 prize money, an 84 per cent increase on last year's £322,136. Page 8

Cold calculation

The world's icebergs have a total volume of 35,000 cu km, equivalent to the Mediterranean's volume, the Soviet news agency Tass reported.

Briefly . . .

Dr Helene Deutsch, psychoanalyst and Sigmund Freud pupil, died in the U.S. at 97.

Astronomers discovered the most distant object known, a quasar 18bn light years away.

Queen Alexandra's Royal Naval Nursing Service is to admit men for the first time.

BUSINESS

Gilts and equities up; surge in rubber

● GILTS rallied on buying in a thin market with gains of up to a point. The FT Government Securities index rose 0.63 to 68.93. Page 38

● EQUITIES rose, influenced by gilts and the emergence of institutional buying. The FT 30-share index gained 6.2 to 568.5. Page 38

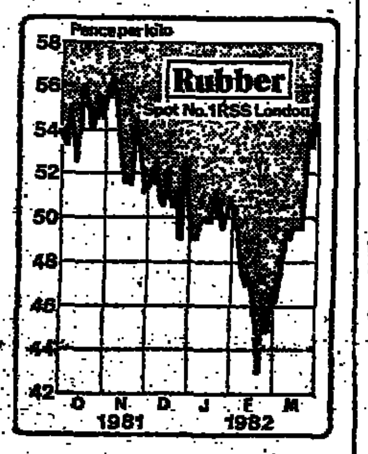
● GOLD fell $5.75 to $320 in London. Page 30

● STERLING closed at $1.782 ($1.7825), DM 4.3 (DM 4.305), SwFr 3.445 (SwFr 3.4525) and FFr 11.155 (FFr 11.13). Its trade-weighted index was 91.0 (90.9). Page 30

● DOLLAR weakened after sales by European banks, except against the Yen. It closed at Y248 (Y246.05), but weakened to DM 2.4125 (DM 2.4135) and SwFr 1.9325 (SwFr 1.9360). Its trade-weighted index was 116.1 (115.93). Page 30

● WALL STREET was 0.19 higher at 824.68 shortly before the close. Page 36

● RUBBER prices continued to rise on the London futures market, with No. 1 RSS spot



ahead 2p at 57p a kilo, its highest level for four months. Page 37

● BRITISH national income shifted sharply last year from workers to company profits, which rose 25 per cent in the second half, while real pay fell by 2 per cent. Back Page

● UK DEMAND for oil products fell last year to 71.6m tonnes, the lowest since 1965 and almost a third less than in 1973. Back Page

● LOCAL AUTHORITY house building seems likely to increase this year. Page 7

● STAFF OF Sabena, the Belgian national airline, have voted to accept pay cuts of up to 17 per cent to help reduce losses.

● HUTCHISON WHAMPOA, the Hong Kong property and industrial group, reported profits after tax of HK$ 790m (£75.9m) for 1981. Page 34

● BRITISH AEROSPACE faces competition from Texas Instruments, of the U.S., in filling an anti-radar missile contract which could be worth £100m. Page 8

● BABCOCK International taxable profits picked up in the second half of 1981, but were down for the full year to £14.07m (£15.24m). Page 26; Lex, Back Page

● GUARDIAN ROYAL Exchange Assurance pre-tax profits for 1981 rose to £89.1m from £87.1m, despite heavy underwriting losses. Page 26; Lex, Back Page

● CRODA INTERNATIONAL, the speciality chemicals group which recently fought off a Burmah Oil bid, announced 1981 pre-tax profits of £10.13m (£7.4m). Page 26; Lex, Back Page

Share Information Service quotations of stocks dealt in under Rule 163 (2) have been dropped. Page 38

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas 3pc 1985	£90¼	+ 1
Treas 3pc 1978-88	£63¾	+ ¾
Treas 12pc 1986	£90¼	+ 1
Exchqr 12pc 1998	£93⅞	+ 1¼
AB Electronic	440	+ 27
BAT Inds	415	+ 10
Babcock Intnl	106	+ 8
Bowthorpe	230	+ 10
Cartwright (R.)	56	+ 8
Clay (R.)	75	+ 5
ERF	44	+ 3
Flight Refuelling	230	+ 12
GUS A	522	+ 13
GKN	164	+ 6
Habitat Mothercare	158	+ 8
ICI	315	+ 8
Nainwest Benson	342	+ 8
Ladbroke	190	+ 8
Legal and General	246	+ 14
Molins	170	+ 7
Pauls and Whites	216	+ 12
Plessey	335	+ 8
Prudential	250	+ 11
Rediffusion	240	+ 7
Smiths Inds	365	+ 20
Thorn EMI	435	+ 12
Tiger Oats	825	+ 175
Trusthouse Forte	135	+ 7
Wilkinson Warbrn	94	+ 6
Silkolene	195	+ 25
De Beers Dfd	227	+ 7
Hong Kong Tin	45	+ 20
Kinta Kellas	775	+ 25
FALLS		
Barclays Bank	445	− 10
Blue Circle	450	− 14
Cape Inds	115	− 15
Midland Bank	325	− 7
Quest Automation	53	− 12
Rugby Pind Cement	83	− 5
Gopeng Cons	460	− 10

VAT invoked to stop gold fraud

BY DAVID MARSH

THE GOVERNMENT yesterday imposed 15 per cent value added tax on gold coin transactions as part of a series of moves to stamp out bullion fraud estimated to have cost the Exchequer millions of pounds.

The VAT, which came into effect at midnight last night, looks certain to dampen activity on the London gold coin market. It also represents a set-back for South Africa, which has been boosting efforts to market Krugerrands through London to benefit from generous British tax treatment.

The action follows a wave of arrests by police and Customs and Excise officials on Tuesday in connection with alleged massive gold tax swindles. A total of 19 men picked up in two separate operations were being questioned by the Customs and Excise yesterday.

The swoop came after months of Customs investigations into tax fraud involving the illicit melting of gold coins. The total amount of gold thought to be involved may have been £100m or more.

Until now, Britain has been the only EEC country apart from Luxembourg not to impose tax on sales of the commonly marketed gold coins, even though gold bars have carried VAT at the standard rate.

The loophole has allowed tricksters to make large profits by converting coins into bars and selling the product with VAT added to jewellers and refiners.

The Customs said yesterday that the VAT loophole had been closed to prevent "actual and potential" fraud.

Mr Jock Bruce-Gardyne, Economic Secretary to the Treasury, said on Independent Television News last night he could not put a figure on the amount of tax that had been evaded. But he said tax to the tune of "tens of millions of pounds could be at risk in this way."

London coin dealers, with the Customs and Excise, have been aware of the practice for months. Many big dealers have recently run down their retail coin operations to avoid becoming entangled. "Gold has always involved dubious practices. That's one of the fascinations," a London dealer said yesterday.

Another gold dealer said last night the imposition of VAT might simply lead to more smuggling by encouraging illicit coin imports which could be sold at a premium.

The Customs and Excise—which has mounted a number of crackdowns on smuggling rings over the past few months—is expected today to tighten gold import rules by requiring immediate payment of VAT as soon as the metal enters the country.

The main coins affected apart from the Krugerrand are the Canadian Maple Leaf, the Mexican peso and the British sovereign, manufactured by the Royal Mint using gold from the Bank of England. The Russian Chervonets—which Moscow has been trying to sell on an increasing scale in London—will also carry the tax.

The Customs estimated yesterday that the extra VAT would yield £10m in a full year. This may turn out to be too low a figure, however.

Total British gold coin imports in 1980 — the last year for which full figures are available — came to £176m. Last September, coin imports totalled £33m, although not all of these may carry VAT under the new rules—antique coins and those involved in central bank transactions will remain exempt.

Yesterday's news led to a rush to buy at some London gold dealers. But the main bullion houses stopped trading coins as VAT-free stocks ran out.

"Gold rush" worries Kuwaiti Government, Page 4
Return to gold standard rejected, Page 5

Northern Engineering set to win £80m nuclear order

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

NORTHERN ENGINEERING Industries is poised to win at least an £80m share of a nuclear power station contract in Taiwan.

The deal will substantially strengthen the Newcastle group's international standing and its eligibility to supply equipment to any future pressurised water reactor nuclear power station programme in Britain.

Mr Bob Hawley, managing director of NEI Parsons, is in Taiwan to secure a letter of intent from the Taiwan Power Company (Taipower), which will operate the power station.

Strong indications that the consortium of NEI and Combustion Engineering in the U.S. will win the contract against international competition came as the Indian Government confirmed that it was entering into "serious negotiations" with NEI as lead contractor for a planned £250m power station at Singrauli in Bihar State.

The total package of UK orders to be negotiated will be £380m, including development of a coal mine for the coal-fired station.

The significance of the Taiwan contract for NEI is that it will be the first time it supplies equipment for a PWR station, backing up its claim that it would be as able to supply a PWR programme in the UK as GEC.

Parsons would supply Taipower with 2 x 1,000 MW turbine generator sets at a price expected to exceed £80m. Combustion Engineering, the U.S. group which has a 10.6 per cent stake in NEI, would supply the nuclear steam supply systems.

Mr David S. L. Chu, president of Taipower, was reported from Taiwan yesterday as saying that negotiations with NEI and Combustion Engineering were likely to take about three weeks, after which a formal announcement will be made.

He said price was a "contributory factor" in deciding on the consortium. Tenderers for the contract included Framatome of France, eWstinghouse and GE from the U.S., Kraftwerk Union from West Germany, and Mitsubishi and Hitachi from Japan.

Details of the financing arrangements have not been made known, but it is expected that Taiwan will receive a buyer credit from the Export Credits Guarantee Department to cover 85 per cent of the British content.

Mr Neil Marten, Minister for Overseas Development, told the Commons yesterday that the UK would provide £65m to India for the Singrauli power station and coal mine, to be supplemented by provision of £75m to meet local costs.

K. K. Sharma in New Delhi writes: Mr Pranab Mukherjee, Indian Finance Minister, told Parliament yesterday that the British consortium's offer "was considered the most attractive, especially in view of the financing package attached to it."

The credits for Singrauli are not subject to the limit of total commercial loans of $1.4bn (£786) imposed by the International Monetary Fund as a condition of the $5.8bn loaned to India last year.

Police hold pickets at Heathrow

By Brian Groom, Labour Staff

SEVEN PICKETS were arrested at Heathrow yesterday as the Transport and General Workers' Union failed in an attempt to bring all its members at the airport out on strike.

The seven included Mr Mike le Cornu, spokesman for the ramp workers in dispute, and another leader, Mr Ken Gallagher.

Scotland Yard said the pickets, all British Airways employees, would be charged with offences under Heathrow bylaws, which effectively ban picketing inside the perimeter.

The strike call, in protest at BA's use of "blackleg" labour in the seven-week dispute involving 1,700 ramp workers, was apparently answered by less than 1,000 of the TGWU's other Heathrow membership, estimated by BA management at 30,000.

The airline said no flights were cancelled and no departures delayed. But most strikers were from the catering centre, so aircraft carried only cold food, and some stopped at other airports to pick up meals.

The strike, decided at a mass meeting attended by 2,000 TGWU members on Tuesday, is a bid to regain the initiative in the ramp dispute. The 1,700 baggage-handlers say they are locked out for refusing to implement new working practices which form part of BA's "survival plan."

Another mass meeting takes place this morning. It will be preceded by a meeting of the baggage-handlers' leaders in the ramp section antional panel.

Mr John Collier, TGWU senior airlines officer, said it was too early to say the strike had failed.

It is clear, however, that the ramp staff now have virtually no cards left to play. BA has

Continued on Back Page

Government rejects rail grant claim

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

THE GOVERNMENT has rejected British Rail's claim for a record grant of £885.2m for passenger services this year. Independent accountant, Mr James Butler of Peat Marwick Mitchell has been called in to find out why BR submitted a claim that, the Government says, it failed to justify and to investigate the British Rail board's financial control.

At the same time, the Government has set the grant, known as the passenger service obligation grant, for 1982 at £804m. This is the first time BR has received less than it asked for.

The figure is more than 9 per cent below what BR budgeted for, and 1.8 per cent down in real terms, after allowing for inflation, on last year's £775.7m.

BR last night described the new grant as "tough but manageable." However, Mr David Howell, Transport Secretary, warned BR in a Commons written answer yesterday that the decision on the reduced grant was not intended to result in "yet further reductions in spending on necesasry renewal and maintenance of rail equipment."

Fundamental

It is widely expected in Whitehall that BR will be forced to sell assets or introduce more private capital to live within its new grant ceiling. The most likely candidates are more hotels, other property, and the Sealink ferry business.

Mr Butler's review of crucial financial aspects of BR's performance, which is scheduled to take three months, is a prelude to the longer-term, more fundamental review of British Rail's overall operations that the Government plans to start later this year.

The Government's rejection of BR's grant claim was Mr Howell said a "new and serious development in the administration of this very large grant which raises questions that require urgent answers."

Performance

Mr Butler's terms of reference are "to examine the board's rail budget for 1982 in the light of their performance in earlier years, their plans for improvement and the extent to which they were achieved." This is a reference to the successive strategic plans produced by BR, which have been repeatedly over-optimistic in their assumptions and which have rarely been implemented in practice.

Mr Butler is also to report to Mr Howell on "what steps are open to the board to make early improvements in the trading results by increased efficiency, cost reduction and improvements in financial control, whilst complying with the grant."

The Government rejected the board's claim for passenger grant because, the Transport Department said, Ministers were not satisfied with the explanation given by BR for its grant requirements.

The grant is the difference between BR's forecast of costs and its forecasts of revenue for this year.

£ in New York

—	Mar. 30	previous
Spot	$1.7810-7825	$1.7825-7835
1 month	0.33-0.38 pm	0.30-0.35 pm
3 months	0.91-0.96 pm	0.96-1.01 pm
12 months	2.95-3.05 pm	3.05-3.15 pm

Schmidt opposes new cold war

BY JONATHAN CARR IN BONN

THE WEST GERMAN Government will argue at the Nato summit conference in Bonn in June that neither the Soviet arms build-up nor the Polish crisis should be allowed to force a return to the cold war.

Bonn will urge its partners to endorse East-West detente, as well as military security, as a key aim of alliance policy.

In particular the West German Government says economic co-operation remains a stabilising factor in East-West relations and nothing can be gained by launching a trade war against the Soviet Union.

These points were made by Chancellor Helmut Schmidt yesterday at a Cabinet meeting attended by leaders of the coalition Social Democrat (SPD) and Liberal Free Democrat (FDP) parties.

The reason for Herr Schmidt's exposé was a demand by the Opposition for a Parliamentary debate on foreign policy. It says Bonn's place in the Western Alliance is becoming increasingly shaky.

It later emerged that apart from the need to prepare for this impending domestic debate Bonn wants to see this same "double strategy" towards the East reflected in the final communique of the Nato summit.

The West German Government argues that an Alliance policy of "defence and detente" was approved as long ago as 1957, following presentations of the report drawn up for Nato by M Pierre Harmel, the former Belgian Feoreign Minister. Bonn feels it is simply updating existing strategy.

It is also stressed that Nato's "twin track" decision of 1979—to arm with intermediate-range nuclear missiles while simultaneously offering arms negotiations to the Soviet Union—fits into the same pattern.

It remains unclear, however, how the U.S. will react to Bonn's proposal—not least since Washington continues to urge its allies to take sanctions against Moscow because of its involvement in the Polish crisis.

Despite concern over the U.S. attitude, the West German Government feels all European

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Yen at two-year low against dollar

BY RICHARD C. HANSON IN TOKYO AND TERRY DODSWOTH IN PARIS

THE Japanese yen, the main casualty of this week's fresh advance of U.S. interest rates, fell to a two-year low against the dollar yesterday in spite of increased support intervention by the Bank of Japan.

In Europe the West German Bundesbank and other central banks stepped up intervention to restrain the dollar's advance.

But the Bank of France took advantage of the partial recovery of the French franc in the European Monetary System to cut interest rates slightly from the crisis level established last month.

The dollar finished in London at Y248 compared with Y246.05 on Tuesday, after climbing as high as Y248.30 earlier in Tokyo.

The Bank of Japan is believed to have intervened this week to support its currency at a rate of $100 to $200m a day, and has also forced short-term money market rates higher.

Tokyo call money rates yesterday hit 7 per cent from 6¾ per cent last week, but were still not high enough to prevent a further surge of funds into much higher-yielding dollars.

Mr Haruo Maekawa, Governor of the Bank of Japan, yesterday inadvertently helped spark the sharp fall of the yen.

He said in the Diet (parliament) that emergency measures to support the yen should be activated with "caution."

The market took his statement to mean that he did not

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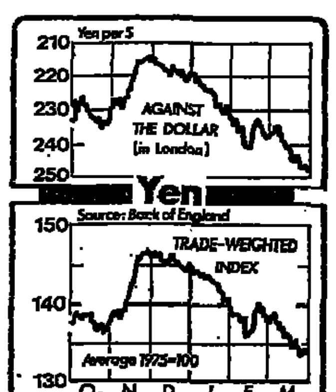

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Bitter battle in France for the 'freedom of the air'

David White in Paris looks at the controversy surrounding the new Bill for the French media which will be debated in Parliament later this month.

FOR DRAMA, upsets, controversy, high jinks, slapstick and pathos it would be hard to beat what has been happening on and around the French broadcasting networks since President Mitterrand's arrival in power less than a year ago.

Has French state television—with rare exceptions, never the most inspiring—suddenly taken off?

Sad to say, no.

But it has generated a tremendous commotion in the press, thanks to a few out-of-the-ordinary screenings, internal vendettas, inquisitions over past news bias, and a continuing game of musical chairs for the choice jobs.

On the radio, there has been a kind of jungle warfare, with the number of "free" stations fighting for space on the FM band making it hard at times to obtain clear reception of anything.

Both media are affected by a new Bill which was put to the Cabinet for approval yesterday and will provoke heated debate when it goes to Parliament later this month. In a country where governments have long been loath to give free rein to radio and TV, the Socialists' good intentions will be put to the test.

The Left voted against the way President Giscard broke up the old, monolithic ORTF in 1974, complaining that it was done with indecent haste. Its own long-awaited reform is officially designed to guarantee the independence of the state channels, and to make room for small, autonomous radio stations.

The Government is striving for a compromise between two diametrically opposed camps: those which uphold the idea of broadcasting as a public service, implying a state-run monopoly, and the supporters of a more competitive system, who look to Britain, or even the U.S., for an example.

The radio system, in which the state networks compete country-wide with commercial "peripheral" stations transmitting from border regions (the main ones being Europe Number 1, RTL and Radio-Monte-Carlo), is usually reckoned to be more satisfactory than TV, where only a few areas get anything other than the three state channels.

Just as under previous administrations, TV has become the butt of a lot of anti-Government feeling. Opinion polls are conclusive: the French hate what they are getting. Half of President Mitterrand's post is said to come from complaining viewers. Until network chiefs got together last month to co-ordinate programmes, weary home-comers were being regularly force-fed on culture and talks.

The man who has taken all the stick is M Georges Fillioud, the Communications Minister. He was the only member of the Government to lose a local assembly seat in last month's cantonal election setback. The President refused his resignation offer, although in December he had disowned one of M Fillioud's decisions. The minister had written to a network chief telling him off for showing a documentary. M Mitterrand said he personally would not have sent the letter.

The film, about child prostitution in Manila and greatly displeased the Philippines Embassy, reflected "an unhealthy quest for the sensational," the minister wrote.

This instance of state interference is only one of a series of upsets ranging from the irritating to the downright scandalous. A scheme to introduce a small-ad slot of the "partner wanted" variety on the staid regional channel was quickly squashed.

At the New Year, a discussion programme about the closure of a satirical paper became a live alcoholic brawl, in which obscenities were flung around and pop musician Serge Gainsbourg suggestively brandished a long red balloon. The papers were full of it for a week.

The bitterest rows have been about staff changes, although there has been nothing to compare with the sackings of 1968 or 1974. All the network chiefs appointed under President Giscard realised they had to go. The choice of successors—all, with one exception, people with solid broadcasting credentials—has caused less stir than the changes in the news departments, where some respected professionals have been swept away in the campaign to rid the airwaves of Giscardian collaborators.

To all this has been added a free-for-all among pirate radios. Fired by hopes following the election of M Mitterrand, pirate operators have multiplied apace. Veterans of private radio have reemerged and been joined by dozens of new names from Radio Tomate to Radio Ivre. There are two called Radio Soleil. Immigrants, homosexuals, motorists and anarchists all have their own stations. The Jewish community has four. M Fillioud's son himself runs one, called Gilda la Radiopolitaine.

All were taken aback last year when the Government, evidently divided on the issue, decided against allowing them to earn their living from advertising.

The most popular of the new stations, RFM, has been intermittently jammed, and two operating from Bordighera and San Remo forced to close—even though one of them had Socialist connections. One attempt to launch a pirate TV resulted in equipment being seized.

But the listening public has been won over, and polls show that more than 50 per cent of the 15-24 age group prefer pirate programmes.

As yet none of the stations have any legal status. Many are running out of money, and all are impatient to know their fate under the new law.

The Government Bill drops the principle of a monopoly on programming, retaining a monopoly only for its TV transmitter unit. But the current two national channels and one regional channel stay in place, with several specialised new companies added to the seven carved out of the ORTF in 1974.

What is new is that all come under a High Authority of six members, nominated by the Government, Parliament and watchdog bodies. Referring to a large consultative council, it will name network heads and allocate frequencies. The Government says this system is made to guarantee greater independence (like the BBC's). The opposition says it is just "camouflage" for political control.

The channels will be made subject to the same legal and civil responsibilities as newspapers, and journalists will have the same protection.

The Government also aims to bolster the TV channels' resources—currently made up of a mix of advertising (on the two national channels) and licence fees—by new income sources such as levies on video recorders.

Private radio will no longer need special dispensation from monopoly rules but will still need permission. An *ad hoc* committee has been working since January on allocating frequencies. Some 1,000 stations have applied for wavelength space alongside the local radios being planned by the state-owned Radio-France.

Will all this add up to the freedom of the air, the "decentralised and pluralist" service the Socialists promised in their election programme? About that, a lot of people in France will need a great deal of convincing.

Industrial stagnation and widening trade deficit forecast

BY DAVID HOUSEGO IN PARIS

GLOOMY PREDICTIONS of a slowing in the pace of industrial activity and of a substantial widening of the trade deficit have emerged in separate reports from the government statistics institute Insee and from Paribas bank.

Insee, in its monthly survey of business intentions, finds that industry has revised downwards its forecast of the level of activity for the second half of the year and now expects stagnation and not a continuing rise in output.

By contrast, the Government is still expecting a recovery of industrial investment during the second half an an acceleration of output in response to an increase in exports.

The official statistics bureau finds in its March survey, *however, that although order* books expanded slightly in February they are still weak and that industry's stocks of finished products over the last two months have remained on the high side.

Insee reports a levelling off of production in the capital equipment industry, a fall in the intermediate goods sector and a continuing growth in consumption goods.

The finding are in line with other recent surveys which show a slackening of industrial activity in January and February.

Insee's index of industrial production—which only partially reflects French industrial activity—also fell by 3 per cent in January. This apparent loss of momentum runs counter to the government's plans of a sustained reflation of the economy to create jobs.

Paribas's warning of diminished export prospects for 1982 and a substantial trade deficit come in the March issue of its monthly economic bulletin. The bank says that over the three months November to January the trade deficit on an FOB basis had already reached an annualised FFr 86bn (£8.43bn) as compared with FFr 59bn last year.

The bank foresees continuing slack demand from West Germany and Belgium, which together absorb 40 per cent of French exports because of their sluggish growth rates. But West German and Belgian penetration of the French market is likely to increase.

The share of West German sales in French imports had climbed from 15.5 per cent in November, 1980, to 16.4 per cent a year later, while France's trade deficit with West Germany has been widening steadily.

Equally, demand from Opec countries and the Socialist states of East Europe—the areas in which there has been the fastest growth in French exports in recent years—can be expected to slow because of their economic problems.

Go-ahead for W. German nuclear plant as court ends wrangling

BY KEVIN DONE IN FRANKFURT

THE SOUTHERN West German state of Baden-Wuerttemberg is to press ahead soon with the building of the controversial Wyhl nuclear power station near the French border following a local court decision, which has brought to an end more than seven years of legal wrangling over the project.

The 1,300 MW nuclear plant, to be built beside the Rhine to the north-east of Freiburg, at an expected cost of more than DM 3bn (£714m) was approved by the regional authorities in Baden-Wuerttemberg in January 1975 — the first application for building permission was filed at the end of 1973 — but it ran into fierce local opposition.

The local administrative court in Freiburg upheld objections made by protest groups of safety grounds and with a famous verdict in March, 1977 ordered that a special extra dome should be built over the reactor as a protection against it bursting apart.

No reactors have previously had to meet such safety regulations, and the Frieburg decision was finally overturned yesterday in a verdict from the state's higher administrative court.

Objectors said yesterday that they intend to use their right of appeal to the Federal High Court in West Berlin, but Herr Lothar Spaeth, the Baden-Wuerttemberg Prime Minister, said that the decision of the state court was sufficient to allow building work on the pressurised water reactor to begin before the appeal was heard.

It is expected that the Whyl plant will be built under the newly developed "convoy system" in the hope of speeding the regulatory process. It is intended that a type approval be granted for a standardised reactor rather than each reactor being approved separately.

Three other nuclear plants in the convoy, Biblis C in Hesse, Lingen in Lower Saxony and Isar II in Bavaria were recently given the go ahead by the Federal Interior Ministry and initial building permission is expected from the provincial state regulatory authorities shortly.

The West German nuclear power station building programme has ben ensnared for years in a series of protracted legal and administrative delays, but the log-jam has begun to break up.

The anti-nuclear movement in the Federal Republic is still strong and the environmentalist Green movement is gaining increasing support at local elections, but the Federal Government finally came out in support of an expanded nuclear building programme last November.

West German prices rose by 5.1 per cent in March, the lowest year-on-year rise since October 1980, according to the Federal Statistical Office. The increase between February and March was 0.1 per cent, provisional estimates show, the smallest since September 1980, writes Stewart Fleming in Frankfurt. In February, the year-on-year inflation rate was 5.8 per cent, itself a significant decline from the peak of 6.7 per cent reported in October 1981.

U.S. drops extra sanctions plan

BY DAVID BUCHAN

THE U.S. believes it has convinced allied governments of the need to supervise credit flows to the Soviet Union, but it has dropped its opposition to European involvement in the Siberian gas pipeline and plans for any immediate extra sanctions against Moscow over the imposition of martial law in Poland.

Mr Lawrence Eagleburger, Assistant Secretary for European Affairs, said this week that "all of us in the West" were now persuaded of the need to "take another very hard look at the transfer of hard currency to the Soviet Union."

Mrs Margaret Thatcher yesterday partially bore out his claim when she told Parliament that EEC leaders had agreed this week that East-West credit problems "should be studied further by the Community in close consultation with other members of the Organisation for Economic Co-operation and Development."

Earlier this year, the OECD failed to agree to charge higher rates of interest on credits to the Soviet Union. But a U.S. team, led by Mr James Buckley, a senior State Department official, has since toured European capitals discussing the credit issue, and the OECD is due to tackle the issue again next month.

Ministers dig in for EEC farm price fight

By Larry Klinger in Brussels

THE EEC's annual marathon talks to fix guaranteed farm prices re-opened in Brussels yesterday with the main protagonists, Britain, West Germany and France, maintaining uncompromising positions. Europe's middleman, the European Commission, was struggling meanwhile, to formulate a set of first compromise proposals for the ministers to study later in the day.

The struggle remained over how to award what are already certain to be record or near record price increases, while containing spending within limits acceptable to "Europe's paymasters," West Germany and Britain.

The Commission was hoping last night that, after extensive and individual talks with each member state's delegation, it could come up with a compromise that would move towards satisfying both aims.

Its original proposals — already the highest in recent years at a standard 9 per cent rise for most important commodities — are almost certain to be raised. With the expected subsequent readjustments in the EEC's agri-monetary rates, eventual awards could give several countries general increases of 13-19 per cent.

The Community's agriculture ministers meeting here are still hoping to agree the broad outlines of a new arrangement for the coming marketing years, the first of which are due to begin in five days' time, so that they can quickly ratify their pact if Saturday's parallel discussions on limiting Britain's contributions to the EEC budget are successful.

Underlying all their discussions will be the knowledge that they may not be able to make significant public concessions until after Saturday's emergency meeting of EEC foreign ministers. On the other hand, they will have to signal where the eventual main compromises will lay, if they are to agree even on broad outlines.

Coal fails to lure industry away from oil

By Martin Dickson, Energy Correspondent

EUROPEAN INDUSTRY has yet to show signs of any substantial shift from the use of oil in its boilers to cheaper coal, according to the EEC Commission.

In a paper on the EEC's coal market, to be published shortly, it says that neither the national measures which several countries have taken to encourage the conversion of boilers from oil to coal, nor coal's current price advantage, have been enough to overcome industry's hesitancy or constraints.

The conclusion adds weight to the widespread belief that the long-expected boom in the international coal trade is going to be slower arriving than previously forecast.

The Commission paper forecasts that coal consumption by general EEC industry will rise 24 per cent to 19m tonnes in 1982, on top of a 10 per cent increase last year. It says that while these statistics are very encouraging, the starting point is extremely low.

The main EEC market for coal is power stations. The paper forecasts that consumption by this sector, which fell from 184m tonnes in 1980 to 181m tonnes last year, will rise to 183m-187m tonnes this year.

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Greater freedom for Dutch Post Office urged

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH Post Office should be given greater freedom from political interference but its monopoly over the supply of telecommunications equipment should be ended. These are the main conclusions of a report commissioned by the previous Government and presented to Parliament this week.

The Post Office should cease to be a department of the Ministry of Transport dependent for funds on the Government's annual budget estimates, according to the report's authors who are headed by Mr Frans Swarttouw, chairman of the Fokker aircraft group. It should become a limited company with all its shares in the hands of state.

Dependence on Government spending estimates means the Post Office cannot determine its own policies on investments, tariffs and new services, says the report. It is unable to respond rapidly to demands for new investments and has no guarantee that funds for particular programmes will remain available in the longer term. If the Post Office became a limited company, it would have greater control of its financial affairs.

While a greater distance would be created between the Post Office and the Government by the creation of a supervisory council, ultimate responsibility for the service would still rest with Parliament, the authors say.

They also recommend that, while control of the telephone and telex network should remain with the Post Office, private companies should be allowed to supply peripheral those on offer from the Post Office. The postal authorities would still have to approve peripheral equipment, however.

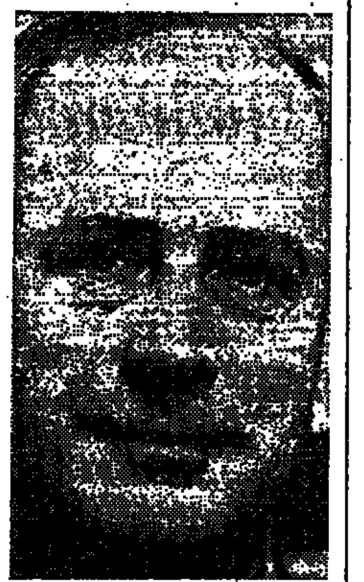
Their powers over cable television systems should also be defined more closely. Existing broadcasting legislation is in urgent need of revision. The report adds, further, that the Post Office should not have a monopoly over data storage systems such as "Viditel," but should be forced to compete with private companies.

The investigating commission, which was established to see how the Netherlands could best profit from developments in telecommunications, says that the Post Office's three main areas of operation — the postal service, telephones and its savings bank and giro services — should still remain part of the same organisation and not be split up.

Operating profits fell for the third successive year in 1981 to Fl 221m (£46m), according to provisional figures, though an increase to an estimated Fl 325m (£68m) is forecast for the current year. Total revenues in 1980, the last year for which complete figures are available, were Fl 8.21bn (£1.72bn).

Th postal service is loss-making while telecommunications and the savings and giro service are profitable. Including part-timers, converted to a full time basis, the Post Office employed 89,600 people last year, an increase of 1,750 on 1980.

● Mr Swarttouw (right): led inquiry



Eta claims it killed Basque surgeon

By Tom Burns in Madrid

ETA, the Basque separatist organisation, claimed responsibility yesterday for the murder of a San Sebastian surgeon and protest strikes by its supporters took place in the nearby town of Oyarzun following accusations that another doctor had died as a result of police questioning.

Blame for the growing mood of violence in the Basque country was laid by the auxiliary Bishop of Bilbao on police torture of suspects and to the Government's attempts to curb regional autonomy.

Fuelling concern of further terrorism were reports that two veteran Eta leaders—Angel Maria Lete Etxaniz and Miguel Angel Apalategui—had crossed the south-western French frontier to regroup supporters in Bilbao and San Sebastian.

In attacks last week, three people, including two policemen, were killed in a Bilbao suburb, and the local telephone company chief and his police bodyguard were shot dead in San Sebastian.

Dr Ramiro Carasa Perez, a surgeon and head of the emergency department of San Sebastian's main hospital, was shot and dumped outside the town on Tuesday night. Officials said he had refused to treat a wounded Eta member but a later statement by the hospital said Dr Carasa had treated the terrorist and informed the police.

There were conflicting reports also over the death on Monday of Dr Esteban Muruetagoyena of Oyarzun, who suffered a heart attack four days after his release from police custody where he had been held for nine days on suspicion of involvement with Eta. A government statement said mandatory medical reports issued by the Guardia Civil during his detention rejected allegations of ill treatment.

AP reports from Bilbao: A local newspaper said yesterday that an anonymous telephone caller claimed the bombing of the Paris-Toulouse express on Monday was the work of the Spanish Basque Battalion, a Basque right-wing organisation. It was in protest at the shelter being given in France to Spanish Basque separatists.

Italy's public sector deficit reached £20bn last year

BY RUPERT CORNWELL IN ROME

THE CHAOTIC state of Italy's public finances has been underlined by an official report here, showing that the overall public sector deficit last year reached L47,400bn (£20bn) or 11.9 per cent of gross domestic product, compared with "only" 8.4 per cent in 1980.

The deterioration, moreover, reflected entirely a growth in unproductive current spending, while capital spending for investments accounted for a broadly similar share of the short-fall, according to the annual economic statement of the Budget Ministry.

The deficit, coupled with the continuing rapid growth in nominal wages, is held to be the main reason for Italy's failure last year to make a bigger dent in inflation. In spite of a sharp rise in unemployment and the first net contraction of the economy since 1975, the average level of consumer prices was 19 per cent higher than in 1980. This was only slightly less than the 20.8 per cent growth in the previous year.

In other respects, however, the picture of the economy which emerges is less bleak than feared. The decline in GDP was limited to only 0.2 per cent—and that thanks in good measure to a 5.4 per cent drop in imports in real terms. Furthermore, Sig Giorgio La Malfa, the Budget Minister, believes that the economy is showing signs of picking up again. Current forecasts are for real growth of 1.5-2 per cent this year.

On the other hand, the hopes for securing a significant reduction in the public sector borrowing requirement this year are slim at best. Unemployment benefits from the state are likely to continue to grow, while no effective controls have been placed on welfare spending. At the same time, the sluggish state of the economy may mean that tax receipts fall significantly below those previously anticipated.

Sig La Malfa . . . signs of recovery

These trends provide an extra reason for concern over the Government's continuing failure to secure parliamentary approval for the 1982 draft budget. Presented exactly six months ago, it traditionally represents the main instrument for imposing some sort of order on public spending.

Constitutionally, the Finance Bill must be approved by April 30. But obstructionism from the Radicals, as well as arguments among the Government coalition partners, mean that the issue has become yet another trial for the fractious nine-month-old administration of Sig Giovanni Spadolini.

Bigger current account surplus for Norway

NORWAY'S current account surplus reached nearly NKr 13.8bn (£1.26bn) last year, up from NKr 5.5bn (£505m), according to preliminary figures, writes our Oslo correspondent. The increase was mainly due to higher receipts for oil and gas exported from the North Sea, which rose to NKr 48.1bn from NKr 41.4bn.

Falling oil prices in recent months are likely to put Norway's current account in deficit this year. Last December, the Government was forecasting a surplus of NKr 2.1bn.

Belgian liquor law

The European Court of Justice yesterday upheld a much maligned and often violated, 63-year-old Belgian law that keeps hard liquor out of Belgian pubs, cafes and restaurants, AP reports from Luxembourg. The court ruled that the law applies "to both national and imported" spirits and does not violate an EEC rule banning "quantitive restrictions" on imports.

Danish jobless

Even with a return to the economic growth rate of the 1960s Denmark's private sector manpower requirements are unlikely to bring unemployment down from its present high level, according to a report published by a Government-appointed commission, AP reports from Copenhagen.

Brendan Keenan examines a report on Irish industrial policy

Strong cures for weak companies

THE IRISH are proud of the reputation which their industrial development policy enjoys abroad, particularly that of the Irish Development Authority (IDA), but there have always been nagging doubts about the costs of the policy and the reliance on foreign firms for more than half the jobs provided.

Mr Charles Haughey, the present Prime Minister, is among the doubters; he has wondered aloud if enough attention is being paid to Ireland's own resources.

Many of those doubts may be reinforced by the publication—expected shortly—of a major review of Irish industrial policy. It was commissioned from Telesis, a U.S. company, by Ireland's National Economic and Social Council (NESC).

As the NESC repeatedly points out, the Telesis report must be seen "in context." It is one of four reports which will provide the basis for an NESC submission to the Irish Government. Nevertheless, the report is likely to be read with interest by policymakers in Scotland, Wales and — in particular — Northern Ireland.

The report seems certain to provoke a deal of argument in Ireland: it criticises aspects of the present policy — including the performance of foreign firms — but it also casts doubts on many of the policies favoured by critics of the IDA.

On foreign industry, the report claims that, in major areas like mechanical engineering, pharmaceuticals, health-care products and man-made fibres, few of the foreign plants in Ireland have the capacity to stand by themselves without their parent companies. More than 80 per cent came to Ireland primarily for the Republic's tax incentives.

When the report appears, much of the controversy is likely to centre on Telesis' comments on the much-vaunted electronics industry. Here, too, the report finds most operations are offshoots, concentrating only on assembly and not on manufacturing. It says, "Of the 60 companies we surveyed, none has a truly stand-alone operation in Ireland, and only three have operations which embody the key competitive elements of the company's business."

The IDA has already replied to some of the criticisms leaked from the report, pointing out that Ireland is a relative newcomer to electronics and that the transfer of technology, integrated operations and spin-off industries can all be expected to increase in the future.

To be fair, the Telesis report, read as a whole, is complimentary rather than critical about IDA's record and operations. It points out, however, that no country has achieved advanced industrialisation without a rapid expansion of its own manufacturing capacity, and it shows, with devastating force, that indigenous Irish industry is stagnant as far as export markets are concerned.

It also points out that the favourite remedies touted by opponents of current policy are also open to doubts. It suggests, for example, that significant developments in food processing are unlikely, because of the inefficient production methods of Irish farming and the fact that this sector is one of the most difficult international markets to penetrate.

The report's suggestions for overcoming the intrinsic difficulties of a small, semi-industrialised country will receive the closest attention, not least by Belfast's new industrial development board.

In a bald summary, the report says that more attention should be paid to the type of foreign project being attracted and that grants and incentives should be varied to encourage the more desirable operations.

The savings which might be made, especially from reducing capital grants, could be re-directed to promoting Irish goods in internationally competitive markets — what Telesis calls the "traded sector."

In a key sentence, the report says: "the development effort . . . must be re-organised to emphasise the building of structurally strong Irish companies, rather than strong agencies to assist weak companies."

Public policy and resources should be aimed at encouraging strong companies by promoting finance, grants for specific company needs, market analyses, and co-operating in streamlining production.

Such suggestions are not revolutionary. As the Telesis report points out, versions of them may be found in industrially advanced countries such as West Germany, Denmark and Japan. They are, however, new to Ireland. Certainly, the extent to which they are accepted in Dublin will be a key element in the framing of Irish industrial policy for the next decade.

Ireland's National Economic and Social Council commissioned an industrial review from the U.S. company, Telesis, whose recommendations, if accepted, may help to frame Irish industrial policy for the next decade.

Portugal threat over EEC

BY DIANA SMITH IN LISBON

PORTUGUESE industrialists consider that current negotiations for membership of the European Economic Community are meaningless. If negotiations continue under the same terms, the businessmen will use every means at their disposal to prevent them succeeding.

This warning to the Lisbon Government has been delivered by Sr Pedro Ferraz da Costa, chairman of the Confederation of Portuguese Industry. He said that his fellow industrialists were opposed to entering the EEC in a position of inferiority.

Sr Ferraz da Costa blamed the Communists for preventing reforms.

OVERSEAS NEWS

Politburo shake-up in Hanoi

By Kathryn Davies in Singapore

VIETNAM'S long-delayed Fifth Communist Party congress has ended in Hanoi with the dismissal of six of the 15 members of the Politburo.

The most prominent departure is that of General Vo Nguyen Giap, aged 70, architect of military victories against the French in 1954 and the U.S. some 20 years later.

Others losing senior party posts include a former Interior Minister, Tran Quoc Hoan, and Nguyen Duy Trinh, Foreign Minister from 1965 until he handed over to Nguyen Co Thach in 1980. Hoan is believed to have taken the blame for the defection of a former Politburo member, Hoang Van Hoan, to China in July 1979.

Also out of the Politburo is Le Thanh Nghi, who once headed the State Planning Commission. He has plainly been made responsible for much of the economic mismanagement that has hampered the recovery which Vietnam's Communist leaders promised the country's 55m people after the victories of 1975.

One of the preoccupations of this week's congress has been the need to stimulate food production.

The economic report was delivered to the congress by the Prime Minister, Mr Pham Van Dong, who, like the party secretary, Le Duan, kept his seat in the Politburo. These two, along with Le Duc Tho, who negotiated the U.S. withdrawal from Vietnam, Truong Chinh, chairman of the State Council, and Pham Hung, the Interior Minister, constitute a ruling inner clique.

Hard year ahead for Malaysia

Bank Negara, the Malaysian central bank, is forecasting a difficult year ahead for the country, with an economic growth rate around 6 per cent, Wong Sulong reports from Kuala Lumpur.

In its annual report, released yesterday, the bank said that last year's growth rate was only 6.5 per cent, 1 per cent lower than projected by the Finance Ministry.

Michael Holman in Lusaka explains resentment at the role of the International Monetary Fund

Africa's struggle to meet the fund's demands

IN HIS seventh floor office in Zambia's imposing Central Bank Mr Bitwell Kuwani, the governor, is preparing for this month's critical round of negotiations with a group of foreign economists. Their analysis will affect everyone from the shoppers in the street below to Zambia's overseas suppliers who look with misgivings at the country's arrears in import payments nearing Kwachas 500m (£306m) and stretching back 27 months.

The International Monetary Fund (IMF) is coming to town, news which is greeted with apprehension in many African capitals. It is often a signal that domestic credit will tighten, that a devaluation is in the offing, and that food subsidies will be cut—in return for the Fund's assistance.

As non-oil producing African states stagger under rising balance of payments deficits, heavy debt service commitments, crippling fuel costs and internal economic mismanagement, the importance on the Continent of the IMF has increased dramatically. Yet there is growing evidence that governments, whether in Kenya, which adopts a mixed economy, or in socialist Zambia, are struggling to meet the Fund's conditions.

Two of the IMF's largest programmes in Africa—both over three years—are in serious trouble. The SDR 912m arrangement in Zaire has effectively broken down. In Zambia, further drawing under an SDR 800m programme has been delayed, exacerbating an already acute foreign exchange crisis.

The most sensitive issue is often the Fund's demand for cuts in government spending, which usually means reducing food and other subsidies—as in Zambia's case.

There is a political price to pay, however. Mr Duncan Ndegwa, Governor of the Kenya Central Bank, told a recent IMF seminar in Nairobi, that cuts in subsidies "impose tremendous adverse affects."

Mr Ndegwa could have cited two cases. Several hundred people died during food riots in Morocco (which signed an SDR 819m agreement in March 1981) last June, while protesters took to the streets in Sudan in January after price rises for basic commodities followed agreement on an SDR 198m programme in October. Both governments were attempting to meet targets agreed with the fund.

Yet the non-oil producing countries are in a bind. They have few other sources of large-scale financial aid at a time when their predicament has never been worse.

Two recent meetings in Nairobi released some disturbing statistics.

The annual increase in GDP of non-oil producing African countries fell to 2.5 per cent between 1978 and 1980, compared with 3.8 per cent in 1973-1977. Since the annual average population increase is 2.5 per cent, per capita income has been stagnant.

The annual rate of inflation tripled in 1973-77 to nearly 17 per cent, rising to about 20 per cent in 1978-80. Medium and long term external debt of the non-oil African group more than quadrupled, reaching $47.8bn at the end of 1980.

Also in Nairobi last month, African delegates to the United Nations World Food Council heard an alarming assessment of the continent's food position. The forecast is that food imports of 18.5m tons in 1980-81 will triple by the mid-1980s. Overall agricultural and food production grew by only 1.7 per cent in 1981—well behind the growth rate of the population.

As balance of payments deficits rose and commodity prices fell, so the Fund's role has increased. Commitments under the upper credit tranche stand-by and extended arrangements rose from two in 1978 to nine in 1979 and 12 in 1980. Last year the board approved 14 such arrangements with African countries for periods of one to four years, and seven others negotiated three-year programmes.

Yet African resentment of the Fund seems to have risen in proportion to its role. One of the world's poorest countries has taken the toughest stance: Tanzania has conducted a running battle with President Julius Nyerere and Mr Amir Jamal, Finance Minister, regularly taking up the cudgels.

"The IMF," Mr Jamal told the Fund at one of its annual meetings, "was never geared to taking care of the slow, painful start of developing countries on the road to economic development."

Among his calls for reform is the suggestion of a "referee" to arbitrate in disagreements between the Fund and a member, and "significant additional low conditionality facilities."

Many economists argue that government mismanagement is a major factor in Africa's decline, however. Mr Paul Acquah, of the Fund's Africa department, told delegates in Nairobi: "To a large extent the relatively poor performance of the non-oil African countries can be attributed to domestic economic policies"—including poor agricultural pricing policies, burgeoning and inefficient state-owned companies, and "overly expansionist" fiscal and monetary policies.

Among the many cases which bear out his criticisms, Zambia is one example: less tobacco is produced today than at independence in 1964.

Treasury officials throughout Africa however can point to the impact of world price fluctuations over which they have no control. In Zambia, for instance, the copper mines provided over 50 per cent of government revenue in 1974. For the past five years it has ranged from nil to negligible.

One analysis which carries disquieting implications has been carried out by Professor Tony Killick, of the Overseas Development Institute.

In a paper looking at the Fund's relationship with Kenya, Professor Killick points out that three higher conditionality agreements have all broken down. Yet the Government is "rather conservative, pragmatic and generally market orientated." Further, there is "no great ideological divide . . . the Treasury does not disagree with the thrust of the IMF policies . . . (and) the principle of conditionality is not contested."

He does not put all the blame for the difficulties on the IMF, but one result is that today Kenyan officials "contemplate an application for an IMF credit with reluctance and regard negotiations with it as unnecessarily taxing." Costs are high, fund interest charges have risen, and negotiations take up too much of the time of over-stretched officials. "They view the Fund as being too concerned with the short term, too anxious to achieve quick results," Professor Killick writes.

"If successful stabilisation and good working relationships with the Fund are not feasible in Kenya," he concludes, "it is unclear where else in Africa they might be achieved."

IMF STAND-BY ARRANGEMENTS AND ARRANGEMENTS UNDER THE EXTENDED FUND FACILITY IN AFRICA*
(SDRm)

	Date of agreement	Programme years	Total commitment	Undrawn balance
STAND-BY ARRANGEMENTS				
Cent. African Republic	April 10, 1981	1	10.40	2.40
Ethiopia	May 8, 1981	1	67.50	23.50
Kenya	Oct 15, 1980	2	241.50	151.50
Liberia	Aug 26, 1981	1	55.00	22.00
Madagascar	April 13, 1981	1	109.00	70.00
Malawi	May 9, 1980	2	49.88	9.88
Mauritania	June 1, 1981	2	25.80	15.50
Mauritius	Dec 21, 1981	1	30.00	22.50
Senegal	Sept 11, 1981	1	63.00	47.26
Somalia	July 15, 1981	1	43.13	17.25
Tanzania	Sept 15, 1980	2	179.60	154.60
Togo	Feb 13, 1981	2	47.50	40.25
Uganda	June 5, 1981	1	112.50	35.00
Zimbabwe	April 8, 1981	1	37.50	—
TOTAL			1,072.31	611.64
EXTENDED FUND FACILITY				
Gabon	June 27, 1980	3	34.00	34.00
Ivory Coast	Feb 27, 1981	3	484.50	307.78
Morocco	March 9, 1981	3	817.05	680.55
Sierra Leone	March 30, 1981	3	186.00	152.50
Sudan	May 4, 1979	3	427.00	176.00
Zaire	June 22, 1981	3	912.00	737.00
Zambia	May 8, 1981	3	800.00	500.00
TOTAL			3,660.55	2,587.83

* As at December 31, 1981

Source: IMF

'Gold rush' worries Kuwaiti Government

BY JAMES DORSEY IN KUWAIT

GEORGE KOSTI, a young Lebanese gold trader, shakes his head when asked to comment on Kuwait's latest obsession—gold-buying. "It's crazy, it's most unusual," he says. Conversation is constantly interrupted by telephone calls during which he sells an average of 50 kg of gold per call.

His Middle East Jewellers, in the niche of Kuwait's bazaar reserved for that trade, now sells gold exclusively. During the past six weeks Kuwait gold traders, like their colleagues in Bahrain, the United Arab Emirates and Qatar, have seen sales jump.

Kuwait gold traders estimate that 2,000 kg of gold is sold daily to the public. "Two months ago I sold 15 kg a day. Now I average 200 kg daily," one trader said.

Kuwait's gold bazaar, a maze of tiny shops with windows filled with hundreds of gold bracelets, necklaces and earrings, seems an unlikely place for massive speculation. But both men and traditionally dressed women haggle in an attempt to get a slice of the cake. "We have a shortage of gold," George Kosti said, pointing out that the metal is sold the moment it is offered on the market.

Traders complain that some banks such as Crédit Suisse have asked them to place gold orders 15 days in advance. "Who knows what it's going to be two weeks from now?" one trader said. "Maybe the market will be gone by then."

Traders attribute the spree to the decline in gold prices and to uncertainty about the future of oil revenues. Gulf newspapers point out that "we are clearly affected by any oil market jolt, small or big, because oil is often our sole source of income."

Almost a year after trading began on Kuwait's unofficial Gulf stock exchange, the Souk Al Manakh, which some bankers describe as a—"casino rather than a stock market"—and where phenomenal profits can be made in almost no time, some of the less rich residents of Kuwait, who missed the boat are trying to catch up by hoarding gold.

Both stockbrokers and gold traders agree that the Souk Al Manakh is much riskier than buying gold. "You are buying paper on the Souk Al Manakh, but if you buy gold you can sell it anywhere," George Kosti explained. He estimates that half his customers take out bank loans to buy gold which they hope to sell at a profit. "A year from now we'll all be buying the gold back" is the general view in Kuwait's gold bazaar.

Some traders fear that the buyers may be disappointed and that gold prices may not rise that quickly. Kuwaiti officials have expressed concern about the gold rush. Mr Bader Abdullah al Rashid, Assistant Under-Secretary of Finance, said recently: "Those who stock gold as a commodity for speculative purposes are taking a great risk."

While gold dealers barely cope with demand, other retailers have seen sales drop in recent weeks. Boutique owners claim the gold-buying spree has kept customers away.

Communists back Gandhi

By K. K. Sharma in New Delhi

MOSCOW HAS put strong pressure on the Communist Party of India to change its policy of attacking Mrs Indira Gandhi, the Prime Minister. As a result the party has reversed the line it adopted in 1978 and has openly declared support for the Gandhi Administration.

Russia is believed to have exerted pressure on the Indian party after indications that Mrs Gandhi, while maintaining strong links with the Soviet Union, was trying to strengthen contacts with the Chinese and with Western leaders.

Mrs Gandhi does not need the support of the 12-member Communist Party group in Parliament.

Israelis angered by EEC

By Patrick Cockburn in Jerusalem

ISRAEL reacted angrily yesterday to the European Community's statement on Tuesday which condemned Israeli action in the West Bank. The European declaration is expected to overshadow a two-day visit to Israel by Lord Carrington, Britain's Foreign Secretary.

A Foreign Ministry spokesman in Jerusalem said that Israel was dismayed by the EEC action, which "disregards completely the incitements to violence initiated by the Palestine Liberation Organisation."

Lord Carrington, who has not been to Israel before in the three years he has been in office has made plain that he is making the visit without any peace plan or initiative to put forward. Britain clearly wishes to keep the whole visit low key. The aim is to create conditions for somewhat friendlier relations with Israel, which have cooled over the last three years.

The EEC leaders' denunciation of what they described as Israel's violation of the freedoms and rights of Arabs living in the occupied territories is being blamed locally on the French.

Sharon invited to Cairo talks

By Our Cairo Correspondent

EGYPT has invited the Israeli Defence Minister, Mr Ariel Sharon, to visit Cairo next week to try to sort out problems over Israel's final withdrawal from Sinai on April 25.

Successive missions by Egyptian Foreign Ministry officials to Israel have so far failed to settle a dispute over a strip of land at Taba.

President Hosni Mubarak of Egypt said yesterday: "Our differences are not over 5 or 6 metres but on a principle over which we cannot yield an inch."

He said that if the dispute could not be solved through negotiation then both sides should seek conciliation or resort to arbitration.

Meanwhile, the U.S. Ambassador in Cairo has suggested either Washington or a neutral city in Europe as a possible compromise venue for the resumption of the stalled talks on Palestinian autonomy.

هكذا من الأصل

Senators break with Reagan over budget

BY ANATOLE KALETSKY IN WASHINGTON

REPUBLICAN MEMBERS of the U.S. Senate have finally broken with President Ronald Reagan on the issue of the 1983 budget.

After Monday's 16-1 vote in the Senate Budget committee to reject the Reagan Administration's budget estimates, Republican Senators yesterday emphasised that they intended to revise the budget completely.

Republican Senate leaders said yesterday and on Monday that delay was no longer acceptable, because of the loss of confidence in economic policy expressed in the financial markets.

There was no point in waiting for further signals from the White House, said Mr William Armstrong, a leading Republican Senator.

President Reagan had already signalled clearly what he would and would not accept and "some of us just don't think it's a very desirable signal," he said.

They are supported in this by the Democratic minority in the Senate. Three Democratic members of the Senate budget committee yesterday announced that they would seek to reduce the 1983-85 budget deficit proposed by the President by 56 per cent.

The White House had hoped to avoid an open confrontation with the Congress, particularly the Republican dominated senate, over a specific alternative to President Reagan's proposals.

So far the President's tactic has been to call for private discussions about the possibilities for compromise with Congressmen. In these discussions he has been able to divert pressure for changes by making clear that certain alterations to the budget are totally unacceptable.

By ruling out cuts in the military programme and modifications on the tax cut proposals, the President has reduced Republican Congressmen, who did not want to defy him openly to impotence.

At the same time, the White House has been holding private discussions with Democratic leaders in the Congress, aimed in theory at establishing some common ground for a compromise between all three factions in the budget debate.

In practice, however, the impression on Capitol Hill is that the President may simply have been using these discussions as a stalling device, aimed at preventing either party in Congress from coming up with a serious budget alternative.

Talks on newspaper deal

BY PAUL BETTS IN NEW YORK

MR DONALD TRUMP, one of New York's leading property dealers, is considering the acquisition of the financially troubled New York Daily News, the country's largest daily circulation paper, owned by the Tribune Group of Chicago.

But Mr Trump, whose property empire is thought to be worth $250m (£139m) and includes the New Trump Tower, a shiny glass skyscraper being built at the prestigious end of Fifth Avenue in New York, yesterday denied he had reached an agreement to buy the ailing newspaper.

But his property company confirmed yesterday he has held preliminary discussions on a possible acquisition.

The owners of the Daily News, which competes against Mr Rupert Murdoch's loss-making New York Post, announced last year their intention to sell or close the newspaper. It lost about $12m last year and is expected to lose considerably more this year.

Current speculation centres on a possible offer by Mr Trump to buy an initial 50 per cent stake in the newspaper subject to his receiving major concessions from the 11 unions at the Daily News.

Mr Trump apparently would have an option to acquire the remaining 50 per cent.

Bond offer to airline staff

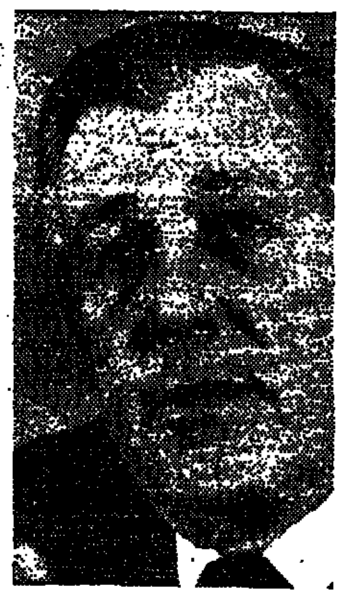
BY RICHARD LAMBERT IN NEW YORK

EASTERN AIRLINES, which claims to be the biggest U.S. passenger carrier, is asking its 37,700 employees to follow a wage freeze this year with a deferred payment plan in 1983.

Under the Miami-based airline's plan, the company would retain 5 per cent of employees' salaries for five years. The money would be returned to the workers at the end of that period in the form of a negotiable band registered with the Securities and Exchange Commission.

The face value of the bond would match the value of salary which had been held back, together with interest at a rate of 12 per cent.

Meanwhile, Braniff International, the hard-pressed Texas-based airline, yesterday presented its survival plan to 39 major creditors. The company, which is hoping to restructure its $733m (£407m) of debt—agreed with its bankers last January to defer debt payments until October.



Donald Regan

Return to gold standard rejected

By Our Washington Correspondent

THE U.S. Gold Commission yesterday rejected in its final report calls for a return to a gold standard.

The commission was set up last year by Congress to study the possibility of returning the U.S. and international monetary systems to a gold standard.

The commission's only positive recommendation was for the U.S. Treasury to issue gold coins without legal tender status, which will be exempt from capital gains and sales taxes.

The rejection of all other proposals put forward for a return to a gold standard was fully expected after the commission's hearings and preliminary reports.

But the full report, nearly 700 pages long, is still seen as a blow to certain leading backers of President Reagan's economic strategy.

While President Reagan has never publicly espoused the gold standard as an immediate policy, the "supply siders" backing his economic programme have argued that this should be an integral part of the Administration's anti-inflation policy.

They have argued that the use of monetary policy against inflation has had a disastrous effect on "Reaganomics" because it has produced extremely high interest rates.

They believe that a more relaxed monetary policy, leading to rapid reductions in interest rates, could be combined with a return to the gold standard. This would create the confidence in "the quality of money" and in price stability.

Mr Donald Regan, the Treasury Secretary, introducing the report yesterday, said that President Reagan had not yet taken a final decision about minting gold coins. He said that the commission's major achievement had been to provide information for Congress to begin to debate seriously the gold issue.

David Lascelles in New York looks at the pattern of U.S. spending habits

Savers may hold key to high interest rates

ASK ANYONE on Wall Street why U.S. interest rates are so high, and they will probably blame the Reagan Administration's record $100bn-plus budget deficit which could swallow up as much as 40 per cent of all new money that comes on to the U.S. capital markets this year.

Government officials and many Wall Street economists frequently point out, however, that that yawning gap is still well within the range — proportionately speaking — of the deficits that other industrialised countries manage to live with quite comfortably, and certainly without suffering high interest rates. So why should it be causing so much trouble in the U.S.

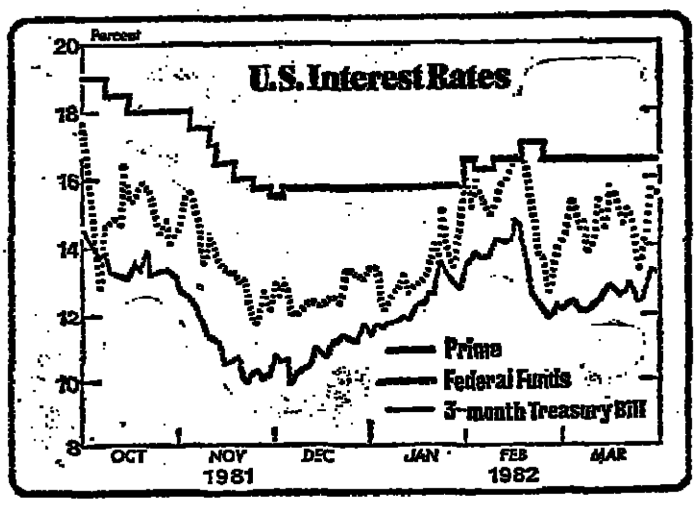
Part of the answer seems to be that deficits of this order are wholly new to the U.S., and the system has yet to get used to them; but another is that the U.S. is not saving enough money to finance them.

Measured as a per cent gross national product — a widely accepted yardstick — the U.S. deficit has usually run at about 2-3 per cent. The Reagan Administration's policies will probably push it up to 3.5 per cent this year leaving it somewhat above West Germany's 2 per cent but still well below 5 per cent in the UK and 5-6 per cent in Japan, which is so frequently held up in the U.S. as a paragon of economic virtue.

On the other hand, the savings rate in the U.S. has been consistently lower than in many other countries, and many economists maintain that this is why the capital markets are making such heavy weather of the whole budget problem.

According to a table recently compiled by Chase Manhattan Bank, gross private savings last year mounted to 19 per cent of gross domestic product, about the same as the UK, but well below the 25 per cent in West Germany and 32 per cent in Japan. Chase also noted that the U.S. rate has been declining over the last few years because high inflation has encouraged people to spend rather than save.

The Reagan Administration has taken a number of steps to try to reverse this trend. Aside from tackling inflation and reducing personal income tax, it has created tax incentives to make it more worthwhile for people to invest their money rather than spend it. These include a tax-free savings certificate and special bank and investment accounts where tax can be deferred until retirement when the tax that is paid is much reduced.



The Administration hopes these measures will boost the savings rate by about 2 per cent, which would channel an extra $60bn a year to the capital markets. This would be enough to halve the impact of the budget deficit and, it is hoped, bring interest rates down to a level where the economy can start moving again.

Savers may thus hold the key to the success or failure of "Reaganomics," but the grand design for savings has yet to bear much fruit, let alone bring interest rates down — though these are still early days. Bankers who have spent large sums of money promoting the new savings accounts report a disappointing response so far, but the full flood of new money may not come till the end of the tax year in December. The 10 per cent cut in personal income tax due next July should also help.

A more crucial question, possibly, is whether the U.S. consumer is able to shake off the inflationary habits which have become deeply ingrained in recent years. Although the rise in the consumer price index has slowed dramatically this year, businesses and individuals still seem to be making their financial decisions in the expectation that prices could accelerate again in a few months' time.

Investors have also shown a marked reluctance to shift their savings out of the highly popular money market funds, where they can reap high yields but still get their money out at a moment's notice. This wariness about committing money to the long-term bond market, where much of the Government deficit is financed, suggests that the U.S. psychology about savings has yet to change for the better.

The tax cuts will increase people's disposable income but a good chunk of it is likely to go into housing rather than investment. When he issued his pessimistic credit forecast this year, one of the assumptions made by Dr Henry Kaufman, the economist at Salomon Brothers, was that the savings rate would continue to decline slightly.

Bank pressed to change policy

BY PETER MONTAGNON IN CARTAGENA

THE U.S. is continuing its crusade to change the policies of the Inter-American Development Bank despite a wave of criticism at the annual meeting in Cartagena, Colombia.

Some developing country members are questioning the bank's future if the U.S. proposals go ahead.

In a speech at the meeting this week, Sr Jesus Silva Herzog, Mexico's Finance Minister, said that "policies that seek to reduce or deny the access of any Latin American member country to bank financing threaten to undermine the very essence of the institution."

An unrepentant Mr Beryl Sprinkel, Under Secretary for Monetary Affairs at the U.S. Treasury, said at a Press conference that the U.S. would like to see the bank increase its lending by only 12 per cent annually during the four years starting in 1983 — a much lower rate than the 18 per cent proposed by Brazil, Argentina and Mexico.

Moreover, the 12 per cent lending proposed by the U.S. is based on the bank's lending levels in 1979. If the proposal were adopted, the bank would be able to increase its lending next year by only about $250m (£139m).

Mr Sprinkel said member countries should place more reliance on private capital financing and be weaned away more quickly from the subsidised finance

U.S. fears over Salvador

BY OUR WASHINGTON CORRESPONDENT

THE U.S. Administration is beginning to qualify its earlier euphoria about the election results in El Salvador.

State Department officials say the U.S. is making it clear to El Salvador's politicians that it would like to see a coalition government including all the parties in the 60-member constituent assembly, in which the moderate Christian Democrats appear to have won about 25 seats.

However, the five extreme Right-wing parties, which appear to have gained a small majority, are opposed to including Christian Democrats.

They issued a statement late on Monday rejecting the programme of economic and social reforms introduced by the Christian Democrats.

The State Department is particularly alarmed by the possibility that Sr Roberto d'Aubuisson, leader of the largest and most extreme of the Right-wing parties, Arena, could emerge as the leader of a coalition government.

Gatt panel to rule on Canada's foreign investment conditions

BY BRIJ KHINDARIA IN GENEVA

AN ARBITRATION panel is to set up in Geneva to decide whether Canada's system of placing conditions on foreign investors violates the General *Agreement on Tariffs and* Trade (Gatt).

The panel was approved by Gatt's decision making council yesterday on the insistence of *the U.S., which say that the* Canadian system adversely affects its foreign trade interests. The panel is likely to be set up before Easter and should report by the end of the summer.

Canada's acceptance of the panel is not an admission of guilt. Its delegate insisted that its system of reviewing foreign investors' applications in no way "nullified or impaired" benefits that the U.S. can expect from Gatt membership.

Because of doubts about the strength of the U.S. case, other council members asked that the panel's terms of reference be *confined to* Gatt *trade matters*.

The U.S. says that Canada's foreign Investments Review Agency (Fira) causes "trade *distortions contrary to Gatt's* aims and provisions" by making approval of applications by foreign investors subject to purchase of locally-made products. It *also requires* that part of the output be for export rather than for sale in Canada.

Canada told the council that the agency's requirements affects only new businesses and purchase by foreigners of existing Canadian companies. Because Canadian business is dominated by foreigners to a degree unusual in industrial countries, the agency tries to ensure that foreign investments benefit Canada's economy.

The U.S. has given assurances that it does not dispute the right of any nation to review foreign investment applications. But it wants a ruling *on whether such reviews* can place conditions on imports and exports affecting the free flow of trade.

Citing a Gatt provision, it *also argues that foreign* companies cannot be asked to obey conditions not imposed on rival domestically owned companies.

Air Portugal to lease seven Boeing 737-200s

BY DIANA SMITH IN LISBON

BOEING of the U.S. and Air Portugal have signed an agreement under which the state-owned airline will lease seven Boeing 737-200s for $140m *(£73.6m) to replace its Boeing* 727-100s. The 737s are considered more economical.

Originally, the airline hoped to purchase the new Boeings outright, but was urged to use the leasing arrangement by the Government. Talks on lease financing are to begin in London next week with various banks.

Late in 1980, Air Portugal also reaffirmed its commitment to a firm order for five Lockheed TriStar jets with Rolls-Royce engines.

The deal was worth $350m and involved a complicated offset programme of $80m under which Lockheed undertook to promote Portuguese exports of such disparate items as optical instruments and railway equipment in the U.S.

● Air Malta is to purchase three Boeing 737-200s at a cost of M£22m (£29m). Godfrey Grima writes from Valetta. This was stated in Parliament this week by Mr Dom Mintoff, the Maltese premier, who said Air Malta will take delivery of the aircraft in a year.

Our Aerospace Correspondent writes: Rolls-Royce has won a £25m contract to equip an overhaul base for RB-211 engines for Saudia, the Saudi Arabian airline.

Saudia is the largest operator in the Middle East of wide-bodied Boeing 747 and Lockheed TriStar airliners, all using the RB-211 engine.

The new facility is being designed by Saudia and equipped by Rolls-Royce, which will carry out initial training of Saudi personnel in the UK to enable the airline eventually to become self-sufficient in this key technical area.

Japan blocks EEC bid for talks

By Our Geneva Correspondent

JAPAN IS blocking the EEC's efforts to arrange trade relations talks under the dispute settlement procedure of the General Agreement on *Tariffs and Trade* (Gatt).

The Community formally requested the talks in a letter to the Japanese mission to Gatt in Geneva on Tuesday.

But Japan withheld **response and instead sought clarification on alleged Gatt violations that the Community is citing.**

Under Gatt rules, Japan is obliged to agree to the talks if the Community can justify resort to Gatt's Article 23 which lays down procedures used to settle disputes among Gatt members.

Since Article 23 mainly delineates procedures, any *member invoking it usually* also specifies other substantive Gatt articles which it thinks are being violated by the offending country. The Community has so far failed to do so.

The Community has not formally told Gatt about its letter to Japan and neither side raised the dispute in Gatt's council yesterday. The council interprets Gatt provisions and sets up arbitration *panels to rule on violations*.

Because of the need for clarifications, the wish of the Community's Council of Ministers that talks should begin early this month cannot be met. The earliest possible date for a start is the last week of this month.

Japan has not so far threatened to bring a counter-complaint against the Community. The threat was first made in Tokyo last week by the Japanese Trade Minister.

The Community's thoughts on specific issues it wants to discuss with Japan seem confused. The EEC *Council of* Ministers which authorised the approach to Japan, spoke of addressing the "cause of economic friction at its root, that is Japanese low import propensity."

It also said that in addition to trade, the Community provision should cover "aspects of macro-economic policies and the development of the yen." All these issues are not generally understood to come within Gatt's competence.

Disquiet grows over Nigerian imports squeeze

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE BREATHING space for exporters to Nigeria ended yesterday. The full impact of the Nigerian Government's imports squeeze will soon become apparent. From today there is no guarantee of payment for goods not already shipped.

To effect the squeeze, the Lagos authorities are taking two general measures:

● Blocking the issue and restricting the use of Form M, the basic instrument needed by an importer to remit foreign exchange;

● *Extending the scope of the* pre-shipment inspection scheme run by Societe Generale de Surveillance (SGS), the Swiss group.

The two measures are linked because the role of SGS is to scrutinise a wide range of manufactured goods, before they are shipped, in order to see that they tally in value, quality and quantity with the specifications set out in the original Form M application. If *goods and documents do not* tally, SGS will not exercise a clean report.

Without that, the exporter cannot make the shipment and produce the correct documentation, for example, to bring about payment through his bank from a letter of credit opened by the Nigerian importer.

The freeze on the processing of Form M by the Central Bank, coupled with the instructions *given to the commercial banks* not to open, until further notice, any new letters of credit made the situation clear as far as future business is concerned.

But confusion remains, and exporters disquiet has been provoked about what happens to business already in the pipeline covered by a Form M already issued and, say, a letter of credit already opened.

The Nigerian Government decided that where a letter of credit had been opened before March 24 and the goods had been shipped on or before yesterday, March 31, then foreign exchange payments would be in order.

Given the normal delays in the Nigerian payments system, exporters who have made outstanding shipments should be secure. *The problem* arises with goods which have not been shipped and for which the Form M, on the basis of previous practice, has been valid.

When an *importer lodges his* original Form M application, it is accompanied by a pro forma invoice from the exporter specifying the projected date of shipment. But this date has often been set optimistically with the aim of impressing the Lagos authorities with the urgent need to process the Form M. Neither exporter nor importer has necessarily expected it to be met.

This has not mattered until *now* because, on the back of Form M, it is specified that the authorisation to remit foreign exchange from Nigeria is good for a year from the date of the *Form M's* issue.

But SGS has been told by the Nigerian Government that where the shipment date on the pro forma invoice has passed, the Form M is no longer valid. However, commercial banks in Lagos have been telling customers that the original *terms of Form M remain good*. The Centre Bank has been silent.

Without a valid Form M there can be no foreign exchange payment from Nigeria. Without SGS's approval of the shipment in a clean bill of findings, the exporter cannot obtain payment from his bank on the letter of credit opened by the importer when the original Form M approval came through.

Exporters are arguing that the Nigerian Government has changed the rules of the game halfway through, that they have bought stock and financed processing only to be told that, after a week's grace, there is no guarantee of payment.

The obvious response is to have the shipment date on the Form M changed. But this is difficult, if not impossible, under the present circumstances. The date of shipment on Form M may not be extended without approval from the Central Bank in Lagos.

Ultimately, the exporter may be able to have recourse to the Export Credits Guarantee Department (ECGD), depending on the nature of the policy taken out. But it is unlikely that ECGD cover could provide immediate recompense. Previous losses on the market have pushed ECGD into extending the period of non-payment before it will entertain claims.

Exporters fearful of losing their place in the market if shipments are not made may be tempted to push ahead regardless on the assumption that because the Nigerian market is always prone to hiccoughs, payment will eventually come through.

But ECGD policies frequently carry a clause excusing liability in the event of shipments continuing in the face of official import restrictions by a buying country.

Until the Nigerian Government defines a new imports policy, giving priority presumably to raw materials, spare parts and capital equipment, exporters will remain cautious unless they have Nigerian associates with manufacturing operations which have to be supplied.

Even in these cases, however, the physical problems of exporting have become more complex. The plans announced in last year's budget to extend the preshipment inspection scheme for industrial raw materials, spare parts and books, and to introduce it for frozen fish, came into effect last week.

Goods in these categories for which a Form M has been issued but not shipped by yesterday will still be subject to inspection.

Exporters are arguing that the Nigerian Government has changed the rules of the game halfway through, that they have bought stock and financed processing only to be told that, after a week's grace, there is no guarantee of payment. The obvious response is to have the shipment date on the Form M changed, but this is difficult, if not impossible, under the present circumstances.

S. Korea's shipbuilding expansion under attack again

BY LYNTON McLAIN

SOUTH KOREA'S shipbuilding industry was attacked for the second time this week yesterday when the Association of West European Shipbuilders spoke of its "deep concern" over plans for further expansion.

The continued expansion of the shipbuilding industry in *South Korea "cannot be* justified in any circumstances which can be foreseen in the present decade," the association said.

The concern of the West European shipbuilders would be passed on to the South Korean Government and the country's shipbuilding industry.

At the same time, the AWES produced figures which show that South Korean yards build ships at prices up to almost one quarter less than European yards can offer. The biggest price difference quoted was for a 136,000 deadweight ton bulk carrier; built in South Korea for $42m (£22.1m) 23.6 per cent *cheaper than the $55m the ship* would cost in a European yard.

On average, South Korea builds ships for 15.1 per cent less than they can be built in Europe.

South Korea had expanded its shipbuilding capacity rapidly while shipbuilders in West Europe and in Japan had reduced their capacity and shipyard manpower deliberately to bring capacity more into line with falling demand.

Manpower had been reduced and since 1975 employment in shipyards in member countries of the association had been reduced by one third. The cut was 50 per cent for most major European centres of shipbuilding.

The association did not give West European shipyard capacity to compare directly with the South Korean expansion, but said that South Korean capacity had been increased by 58 per cent between 1975 and 1981, *from 2.39m gross registered tons* to 4.125m grt. Shipbuilding capacity in South Korea in 1971 was estimated by the association to have been 0.189m grt.

The latest five-year plan of South Korea, 1982-86, calls for shipbuilding capacity to be increased by almost 60 per cent *to 6.5m grt*. However, only 17.2 per cent of capacity in South Korea was used in the third quarter of last year, the association said.

These figures indicated the "huge reserves" of capacity in South Korea which could only have a "disastrous effect" on worldwide efforts to stabilise the shipping and shipbuilding industries, according to the AWES.

Earlier this week, Lloyd's Register of Shipping also warned that the expansion of shipbuilding capacity in countries like South Korea was the "most disturbing fact" about present world overcapacity.

The new Daewoo yard in South Korea, opened in 1980 with capacity to build 1.2m dwt of ships a year, was bound to attract orders for South Korea, but inevitably they would come from yards struggling for orders in othe parts of the world, Mr Robert Huskisson, the chairman said, in the Lloyd's Register annual report.

SHIPBUILDING PRICE COMPARISONS

	Korean price (U.S.$m)	European price (U.S.$m)	Korean price advantage over Europe
1. Containerships (1750-1850 TEU)	37/38	42/43	11.9%
2. Containerships (1680 TEU)	44	52	15.4%
3. Containerships (2000 TEU)	45.5	55	17.2%
4. Ro-Ro/Container (2400 TEU)	66	77.5	14.8%
5. Bulk Carrier 136,000dwt	42	55	23.6%
6. Bulk Carrier Panamax	27	31	12.9%
7. Bulk Carrier 35-38,000dwt	24	27	11.1%
8. Product Carrier 69,000dwt	48	58	17.2%
9. Product Carrier 30,000dwt	29	33	12.1%
		Average:	15.13%

Source: Association of West European Shipbuilders, March 1982

Campaign against Stansted launched in the North

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

COUNCILS AND airport authorities have joined forces in a campaign against the development of Stansted as the third major airport for London.

They have formed the North of England Regional Consortium, and will fight for cash to pay instead for the development of airports in the Midlands and the North.

The new body comprises 13 county councils in the Midlands and the North, a number of city and local councils, and the airport authorities of Blackpool, Carlisle, Humberside, Leeds-Bradford, Liverpool, Manchester and Newcastle.

The organisation has submitted a detailed statement to the public inquiry into the Stansted plan. It estimates that it will cost £750m to develop Stansted to a capacity of 15m passengers a year, and even more to 50m passengers a year. Campaigners believe the total cost will eventually exceed £1bn.

The statement says: "Spending this much on one project in the south-east would take up the major part of the resources available for capital development for the remainder of the century and would encourage and harden the division of Britain into a prosperous south and a deprived and declining north."

The North of England Regional Consortium will argue at the Stansted inquiry that there is no need for a new airport in the south-east. The consortium has the aid of independent international consultants in putting its case.

The forecasts for air traffic for the London area being used to justify the Stansted proposals are over-optimistic, it claims, and they fail to take account of the potential for the operation of profitable services from the regional airports.

The organisation says that if the Stansted proposals are implemented, 32m passengers a year from the regions will be required to travel to a London airport because of the poor level of services available in the regions.

"At least 15m of these passengers could be accommodated at regional airports on services which would be convenient for the passengers and profitable for the airlines.

"The most important single step to secure the greater use of regional airports is to limit further airport development in the south-east to that which is strictly necessary to cope with demand that can only be met there."

The group recognises that changes would be needed to allow the development of the regional airports as an alternative to Stansted.

"In the past, the Government policy has tended to concentrate on the air travel needs of the south-east at the expense of the rest of the country. The airlines themselves have favoured centralisation, both for administrative convenience and for the composition of their aircraft fleets."

The group considers that to change these policies may require a restructuring of the airline industry, including the establishment of one or more strong regional flag carriers and an investment in small, modern aircraft able to operate from regional airports.

Government encouragement and financial support may be necessary to achieve these objectives, but the amount needed will be less than that given to civil aviation on past occasions.

Business team aims to boost Portsmouth

By Belinda Nenk

BUSINESS people and local government officials from five local authorities in the Portsmouth area have formed a partnership to help the town's economy.

The Portsmouth Area Enterprise scheme was launched yesterday with an initial sum of £40,000 donated by companies, local government and the clearing banks.

The first task of the scheme will be the setting up of an Enterprise Agency to help and advise new businesses or those wishing to expand.

The agency will be headed by Mr William Sumner, who has been seconded for two years from Whitbread Wessex. He will be able to call on experts from 150 organisations.

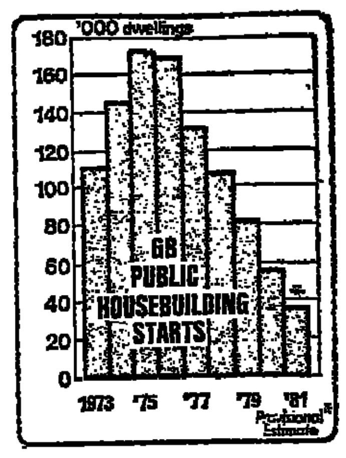
Twelve companies operating in the Portsmouth area have donated £2,000 each, including Marconi Space and Defence Systems, Whitbread and Marks and Spencer.

Unemployment in Portsmouth rose from 5 per cent in 1979 to 11 per cent last year, one of the most rapid increases in the country.

The Enterprise scheme has been launched to try to counteract some of the effects of the local Royal Navy dockyard cuts and unemployment as a whole.

Councils set to spend more on house-building

Local authorities were caught napping when sales to tenants took off: Andrew Taylor reports



LOCAL AUTHORITY house-building, at its lowest for more than 40 years, appears likely to increase this year. Investment decisions already taken by councils point to a higher level of public sector housing starts in 1982.

It is important that local authorities start the year well and take full advantage of money that may be available for housing investment programmes in 1982-83.

Last year the number of starts made on public sector homes in Great Britain fell to just 36,300 (31,100 in England). This compares with 56,000 in 1980, more than 81,000 in 1979 and almost 174,000 in 1975.

The fall reflects substantial public spending cuts coupled with a change of approach by local authorities, which have emphasised renovation, repair and home improvement schemes rather than new building programmes.

In the last few months, however, local authorities have been increasing orders for new housebuilding work, and public sector housing starts in the three months to the end of January were 16 per cent higher than in the corresponding period a year ago.

There are two main reasons why public sector housing starts may be higher this year.

First, it looks as though councils may have more money to spend; if government estimates are correct about the likely level of proceeds from land and council house sales.

Second, local authorities appear to be getting to grips with some of the problems which last year led to councils spending substantially less cash on housing investment than was technically available to them.

It is estimated that capital spending in 1981-82 by housing authorities in England could have been up to £350m higher if full advantage had been taken of expenditure limits and of additional sums raised through the sale of council houses and local authority land.

Underspending by local authorities is not new. Budgets are controlled strictly and councillors face severe financial penalties if local authorities exceed proscribed spending limits. The tendency is to err on the side of caution when establishing housing expenditure programmes.

Public sector housing orders in the three months to the end of January were 4 per cent higher than in the previous three months and 81 per cent higher than at the end of January 1981. This should mean improved workloads in the coming months.

A mini-survey of 20 English and Welsh local authorities, conducted recently by the National Council of Building Material Producers, also points to a higher level of housing activity this year.

The 20 authorities, which expected to have started work on 1,283 homes in 1981-82, said starts could rise by up to two-thirds, to 2,140, by the end of 1982-83. The sample is far too small to be conclusive, and a national increase of two-thirds in the level of public-sector housing starts appears unrealistic. Nevertheless, the survey shows that some authorities, particularly smaller councils, are taking a more positive approach to housing expenditure.

Government forecasts that local authorities will be permitted to spend more on housing projects this year depend to a large extent on the success of councils selling land and houses. land and houses. However, the Chancellor has said that they may spend money in advance of sales being made.

It is estimated that English housing authorities could have spent up to £2.2bn in 1981-82. This includes about £400m, representing local authorities' share of sales proceeds. Total permitted expenditure could rise to £2.5bn in the forthcoming financial year, including projected sales revenue of almost £600m.

There were several special factors which affected councils' ability or determination to take full advantage of housing expenditure limits last year.

- There was a moratorium on the letting of new local authority contracts for housebuilding until April 1981. This should not have affected orders placed for work in the 1981/82 financial year, but it weakened the confidence of some local authorities.
- The success of land and council house sales last year caught both central and local government by surprise. By the time it was realised that sales were going to be higher than expected, it was too late for councils to take up new schemes which could have been paid for by the extra revenue available.
- Some authorities decided simply not to use their share of sales revenue to supplement capital investment. Some invested the proceeds, using interest payments to help cushion the impact of rising rents on council tenants. Some used sales proceeds to pay debts.

A significant proportion of housing investment is funded by loans raised by local authorities and which are repaid out of councils' revenue accounts. Thus higher capital investment can have important revenue implications for local authorities already under pressure to control current expenditure.

The Government disputes the last point. It says rising council rents have meant that housing revenue accounts of a number of authorities are approaching surplus — leaving adequate room to take advantage of higher spending limits. It is also disturbed at the failure of some authorities to make the best use of land and council house sales proceeds.

But some councils, which regard the Government's future housing expenditure plans with deep suspicion, have preferred to keep back some of the money raised from sales to meet future contingencies and liabilities.

In this climate any improvement in council house-building programmes is unlikely to be dramatic. But there are signs that the level of public sector housing starts may rise this year, for the first time since 1975.

Warning to Government on social security benefits

BY ERIC SHORT

THE GOVERNMENT has been warned by the Social Security Advisory Committee to maintain the value of social security benefits in real terms.

Sir Arthur Armitage, chairman, said in the committee's first annual report, published yesterday, that it believed that even at a time of economic difficulty those dependent on social security — the most vulnerable sections of the community — had to be protected whatever sacrifices had to be made by the rest of society.

The committee was formed in November, 1980, as the main advisory body on social security matters, taking over the advisory functions of the National Insurance Advisory Committee and the Supplementary Benefits Commissions.

Last year the committee identified three special priorites in the social security system.

- Benefits for long-term unemployed, a problem exacerbated by the rapid rise in numbers of jobless.
- Financial support for families.
- Benefits for the disabled.

Sir Arthur said the fundamental concern arising from these studies was for the poor out-of-work and the poor in work, and many of its recommendations centred on this theme.

The committee recommended 14 major changes and 33 minor ones, the chief ones being:

- Supplementary benefit levels must be fully maintained in real terms. The present rates came far too close to subsistence levels to offer any scope for cuts.
- Family Income Supplement must be maintained in real terms and increased in real terms as soon as possible.
- The real value of the Child Benefit Allowance must be maintained at its November, 1980, levels as an absolute minimum and restored to its April, 1979, value as soon as possible.
- The long-term rate of supplementary benefit should be available to all unemployed claimants after one year.
- The 5 per cent cut in unemployment benefit should be restored.
- The invalidity trap, which prevents the sick and disabled from qualifying for long-term supplementary benefits, should be eradicated.

British Bakeries to build £11.5m plant in Glasgow

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

BRITISH BAKERIES, part of the Ranks Hovis McDougall group is to build a £11.5m bakery in Glasgow next to its Mother's Pride bakery in Paton Street.

The plant bakes 40 per cent of the bread for Glasgow, but the company has found the 100-year-old bakery increasingly inefficient.

The new plant, which will be ready in two years, will have a capacity of a million loaves a week.

The bakery will employ 500 people — 200 fewer than at present, says British Bakeries, but there will be a two years gap for the new manning level to be reached.

The bakery undertook the project with a substantial grant from the Scottish Economic Planning Department, part of the Scottish Office. Mr Alex Fletcher, Minister for Industry and Education at the Scottish Office, said it was one of the largest single investment projects in the East End of Glasgow in recent years.

Demolition of buildings adjacent to the Paton Street site is to start immediately.

Stricter controls sought over safety recalls on cars

BY JOHN GRIFFITHS

THE Consumers' Association today called for stricter controls over the recall of cars for safety checks and modifications.

Nearly 1m cars have been subject to recall in the UK since 1979, but about a quarter of owners fail to present their cars for problems to be sorted out, the association said.

A voluntary code on recalls was agreed in 1979 between the Department of Transport and the Society of Motor Manufacturers and Traders.

The Consumers' Association has put a number of specific proposals to the DoT aimed at improving the recall scheme's effectiveness.

These include greater use of the driver and vehicle licensing centre at Swansea to contact owners, particularly when a car has changed hands; MoT test stations to be kept fully informed of recalls so that cars three or more years old needing checks or modifications could be identified; a defects "hotline" at the DoT for owners to check if there had been any recalls on their cars; and the extension of the code to include faults not directly related to safety.

The DoT has ruled out greater use of the Swansea centre "for the time being" because it cannot cope with an extra work load. It also says it cannot act as "a clearing house" for recall checks but is considering whether to publicise manufacturers' contact numbers.

BAe faces competition from the U.S. for missiles deal

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

BRITISH AEROSPACE is facing U.S. competition to provide the Royal Air Force with a new anti-radar missile in a contract which could be worth £100m over the next few years.

The contract would be for a air-launched anti-radar missile. It would be fitted to the RAF's new Tornado fighter aircraft, due to enter service in the central European sector from 1982-1983.

The missile would be designed to suppress radar by "riding" the radar beam from equipment associated with surface-to-air installations.

The two main contenders for the new missile, outlined in the RAF's staff requirement No. 1,228, are a consortium of British Aerospace and GEC Marconi; and the U.S. company Texas Instruments.

The BAe-Marconi proposal involves the development of a system being called ALARM, for "air-launched anti-radar missile, which BAe claims would provide for a small and light missile which could be carried by the Tornado GR1 without affecting its normal fuel and weapons payload.

BAe maintains that although its missile is still on paper, it could be in production as fast as the rival missile from Texas Instruments.

That company has submitted a proposal involving Lucas Industries for the production of HARM, high-speed anti-radar missile system.

Lucas refused yesterday to comment on the proposal. However, Defence Ministry sources said it could involve part-production of the missile in the UK.

The HARM missile is at a more advanced stage of development, being based on the Shrike, which was deployed by the U.S. Air Force in Vietnam.

But it is said to be heavier than the BAe missile.

The Ministry of Defence, in a now familiar exercise, is weighing up the political, economic and employment implications of going for a developed, largely U.S. system against one which was undeveloped but British.

Ministry officials said yesterday that a decision was unlikely before midsummer.

Neither of the protagonists would comment in detail either on the likely cost of the missiles nor on the job opportunities or likely exports.

It is suggested that the all-British proposal would involve more jobs, in the main companies and in subcontractors, than would the Texas-Lucas proposal.

However, export possibilities for the latter may be greater in that the U.S. Government could look to Texas-Lucas as a second source of supply of missiles for the U.S. Navy and Air Force.

Defence co-operation criticised.

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Wimbledon prizes nearly doubled to £593,366

By John Barrett

THIS YEAR'S Wimbledon Championships will distribute prize money totalling £593,366, an 84 per cent increase on last year's figure of £322,136. The increase is because of the upward trend in other major tournaments, attempts to counter inflation, and also because of the falling value of the pound against the dollar, the international tennis currency.

Prize money for women is still about 80 per cent of the men's total.

Sir Brian Burnett, chairman of the joint championships committee, said: "With these large increases the prize money is a true reflection of the number one status of Wimbledon."

No attempt would be made to compete with the French or particularly the U.S. Open, where prizes of more than $1.5m (£838,000) have been announced.

"There are other factors about Wimbledon, like charisma and atmosphere, that make the championships the best in the world," he said.

"Furthermore we expect to pass on a surplus of more than £1m to the Lawn Tennis Association to run the British game."

The two singles champions will gain almost double last year's figures at £41,667 (£21,600) and £37,500 (£19,440).

FT wins Paris Copyright case

THE FINANCIAL TIMES and the Economist have won a joint court action in Paris against Eco-Presse, publishers of La Presse Economique, for infringing their copyright.

Eco-Presse has been ordered to pay the Financial Times FFr 90,000 (£8,090) damages, with a further FFr 10,000 for the flagrancy of the copyright violation. The judgment of the court must be published in four newspapers or periodicals at the expense of Eco-Presse. The Economist also receives damages.

Council rents 'rising faster than pay'

COUNCIL RENTS are higher in relation to average earnings than at any time since 1945, says the London Housing Aid Centre. Figures given to MPs yesterday showed that council rents have risen by 117 per cent in the last three years, and average earnings by 52 per cent.

Whitelaw attacks GLC leader

MR WILLIAM WHITELAW, the Home Secretary, yesterday made a strong attack on Mr Ken Livingstone, leader of Greater London Council, for his criticism of Sir Kenneth Newman, who has been appointed Metropolitan Police Commissioner.

Meeting a delegation from the GLC, Mr Whitelaw said he deplored remarks by Mr Livingstone criticising Sir Kenneth's appointment six months before he was due to take up the post. It was "astonishing that the head of the GLC should see fit to attack an appointment to what is undoubtedly the most demanding operational job in the police service."

Portmeirion jobs cut

THE POTTERY industry, hit by recession, was dealt another blow with the announcement that 65 shopfloor and seven management and clerical workers would lose their jobs at the Portmeirion Works, Stoke-on-Trent, at the end of April.

Nordic Finance

IN yesterday's issue of the Financial Times is was incorrectly stated that Nordic Finance was a creditor of Laker Airways. The company has no involvement with Laker Airways.

Ford's foundry to stay open but 1,700 jobs will be lost

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

EMPLOYEES and management at Ford's Dagenham foundry have won a two-year battle to keep the plant open.

However, Ford insists that the foundry operations must be scaled down and this will mean shedding 1,700 jobs as the workforce is cut from 3,300 to 1,600 by the end of 1984.

The company hopes that job cuts will be achieved by early retirement and voluntary redundancies. Ford will tell the foundry workers about the scheme today.

Ford will have to accept financial losses at least until 1984 and at the same time will spend several millions of pounds to modernise the plant.

The company told employees in 1980 that the foundry was suffering increased losses and as there seemed no possible way to halt them it would have to close. Castings could be bought much more cheaply from outside suppliers.

The foundry lost £13m in 1980 and in 1981 the deficit was £25m.

Management and workforce appealed for time to come up with changes to cut the losses and to see if a survival scheme could be worked out. Ford unions campaigned against closure.

According to the unions labour productivity at the foundry improved by 4.5 per cent in 1980 and 8 per cent in 1981. The use of material also improved by 8.6 per cent and 6 per cent in the same period.

However, the scale of the 1981 losses made it seem unlikely Ford would continue operations.

The scheme to be presented to employees today will involve cutting the range of castings produced at the foundry substantially from the current 125 and extensive modernisation. By scaling down operations, Ford reckons it can make the foundry marginally profitable by 1985-86.

Employees will be told, however, that if they do not accept the proposals the only alternative is to close the foundry.

Ford said yesterday: "You will see when our formal announcement is made that Ford is going to extraordinary lengths to maintain a presence in the castings business in Britain."

Mallard, the world speed record holder for steam traction, could return to the rails if an appeal launched yesterday is successful. The aim of the appeal, launched by the Friends of the National Railway Museum, York, is to restore the locomotive to working order before the 50th anniversary of its famous run. Mallard steamed into the record books by reaching 126 mph between Grantham and Peterborough in 1938

Gill makes court move on directors' pledges

By Raymond Hughes

THE TACTICAL manoeuvrings in the saga of Associated Communications Corporation took a bizarre turn in the High Court yesterday, when Mr Jack Gill sought to release five present or former ACC directors from undertakings given for his protection, and the directors objected to being released.

Mr Justice Vinelott will give his ruling today.

In January, the court refused to order the directors not to transfer their voting shares, which last year they had undertaken to use to vote in favour of a proposed £560,000 golden handshake for Mr Gill, who had been deputy to Lord Grade.

But to protect Mr Gill, the court accepted from the directors an undertaking to vote their shares to adjourn an extraordinary ACC meeting, called to approve the golden handshake, until seven days after final determination of a petition by institutional shareholders seeking to block the payment.

Yesterday Mr William Goodhart, QC, for Mr Gill, said that the position had changed substantially since January.

The Heron Group had withdrawn from the ACC takeover battle; the closing date for the bids by TVW Enterprises, a company associated with Mr Robert Holmes à Court, was April 13; and by April 20, to which the extraordinary meeting had been adjourned, it was likely to be clear what ACC's future was.

Massive amendments had been made to the petition, which was unlikely to be tried this year.

In those circumstances, Mr Gill had become increasingly anxious that the golden handshake resolution should be voted on as soon as possible. If it was passed he could defend the petition knowing that if he won he would get his money.

If the resolution failed the petition would become academic and Mr Gill could seek other remedies against the directors over their undertakings to support it.

He wanted the directors to be able to vote on the resolution on April 20 and had, therefore, released them from their January undertaking.

Lord Campbell, QC, for the directors—Lord Grade, Mr Isaac Benjamin, Mr Norman Collins, Mr Louis Michael and Sir Leo Pliatzky—said that until the court heard the petition and ruled on the validity of the directors' undertakings to vote for the golden handshake, it would be wrong to put them in the horrifying dilemma of having either to honour those undertakings or expose themselves to the risk of a damages action by Mr Gill.

Mr Gill's only reason for seeking to release the directors was to put them in that dilemma, said Lord Campbell, who argued that they could be released only with their consent, which they did not give.

Mr Goodhart commented that the directors' dilemma was of their own making, they having chosen to undertake to vote for the payment to Mr Gill.

John Moore writes: Mr Gill is to become deputy chairman and financial director of Home Video. He is to have a service contract.

GDP rose 1% by end of 1981

By Max Wilkinson, Economics Correspondent

UK GROSS domestic product was up by an average of 1 per cent in the last quarter of 1981 compared with the start of the year, according to official figures published yesterday.

At constant prices GDP rose by about ½ per cent between the third and fourth quarters of 1981. According to the measure of the GDP based on income data, the rise was higher at 1½ per cent in real terms, between the first quarter and the last. Using expenditure data a real rise of about ¼ per cent over the same period is suggested. The 1 per cent figures is the average estimate of the three measures.

Figures for National Income and Expenditure in 1981 show that GDP at market prices rose by 10.2 per cent between the fourth quarter of 1980 and the same period last year. In money terms the 1980 GDP was £225bn but no figures is available for last year.

The figures are less reliable than usual because of the civil servants' strike last year.

Output data suggests a fall of 3 per cent in GDP between 1980 and 1981 following a fall of about the same amount from 1979 to 1980.

Between 1980 and 1981, industrial output fell by 5½ per cent, with manufacturing down 6½ per cent and construction down 12 per cent. There was also a fall of 4 per cent in transport activity but the mining and quarrying sector increased its output by 6 per cent, mainly as a result of growth in North Sea oil fields activity.

In the fourth quarter of 1981, wages and salaries increased by about 1¼ per cent. For the year as a whole the increase was about 8 per cent, the smallest since 1969.

Total personal income rose by 2½ per cent in the fourth quarter and by 9 per cent in money terms between 1980 and 1981. However, real personal disposable income fell by about 2 per cent over the year.

Consumers' expenditure rose 10.7 per cent and general government consumption was up 13.8 per cent between the two years in money terms. In real terms, consumer expenditure fell by about ¼ per cent between 1980 and 1981 but rose by 3½ per cent from the third to the fourth quarter.

The proportion of incomes saved fell from 14 per cent in 1980 to 13 per cent last year.

The volume of fixed capital formation in 1981 was broadly unchanged. Between the two halves of 1981, investment by the private sector rose by 7 per cent, while government investment fell by about 20 per cent.

RAF set to buy 52 more Tornado jets

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A CONTRACT worth about £750m for the next batch of 52 Tornado multi-role combat aircraft is expected to be signed soon by the Ministry of Defence with Panavia, the international consortium building the aircraft.

All will be of the advanced F-2 Air Defence Variant (ADV) for the RAF.

Air Chief Marshall Sir Michael Beetham, the Chief of the Air Staff, said this in London yesterday, while addressing the Air Public Relations Association.

This will be the fifth production contract for Tornado fighters, bringing the total ordered to 528. Panavia is an Anglo-German-Italian combine, building the aircraft for Nato. British Aerospace is a participant in Panavia, with Messerschmitt-Bolkow-Blohm of West Germany and Aeritalia of Italy.

A total of 809 Tornado aircraft is planned, of which 385 will be for the RAF, 324 for the German air force and navy and 100 for the Italian air force.

Of the RAF's aircraft, 220 will be of the basic strike version (called GR-1s), and 165 will be F12 ADVs. Only the RAF will use the ADV, although the basic strike version will be used by all three countries.

The ADV is an advanced longer-range version designed for the RAF for use over the North Atlantic to intercept aircraft seeking to attack the UK and the Nato coast via the "back door."

Each ADV Tornado costs about £14.3m, according to last year's Defence White Paper, while a basic strike Tornado costs £11.4m. Of the 476 Tornado jets ordered, 458 have been of the basic strike version, and 18 have been ADVs. About 100 Tornado aircraft have been built, and are either undergoing test or have been delivered to the three airforces for training purposes. The first RAF Tornado squadron will form later this year.

The Chief of the Air Staff said yesterday that, even with the Tornado about to enter squadron service, the RAF still needed to boost its fighter numbers as early as possible. It therefore planned to run on some of its Phantom jets in operation service "until such time as we can obtain sufficient F-2s to meet our longer-term needs."

Goldcrest seeks more City backing after Oscar win

BY GARETH GRIFFITHS

GOLDCREST FILMS and Television, a Pearson Longman subsidiary, is to approach City institutions, in an attempt to raise £12m to fund UK film production in the wake of the Oscar film-award successes of Chariots of Fire, which Goldcrest financed.

Mr James Lee, chairman of Goldcrest and deputy chairman and chief executive of Pearson Longman, said yesterday that the company had decided to fund the whole of "Local Hero," the next film to be produced by Mr David Puttnam, the producer of Chariots of Fire. At a cost of about £3m, the move is a departure for Goldcrest, which previously only funded half the cost and found other backers for the rest.

In the past six months Goldcrest has approached more than 70 city institutions to try to raise £12m to finance films and television productions. Only £5.5m has been raised.

His hope now was that the success of "Chariots of Fire" would encourage investors and Goldcrest would be approaching some 20 institutions in the next month to try to raise the rest of the £12m originally aimed at.

The institutions were uncertain about the "risk" involved because of such things as Associated Communications Corporation's experience with "Raise the Titanic," an expensive flop.

"There exists a caricature of the industry as being peopled with gamblers rolling $25m on one film that no one goes to see." This was a wrong attitude to take towards the British film industry.

However, so strong was this view that it undermined the "seriousness" of Goldcrest's approach, the commitment of colleagues such as Sir Richard Attenborough and David Puttnam, and the possibilities for cofinancing and risk management.

Goldcrest Films and Television is the 100 per cent owned Pearson Longman company for the group's approximately 40 per cent share in the Goldcrest Films International partnership. The National Coal Board Pension Funds, the Post Office Pension Fund and Electra Investment Trust are the other major shareholders. The partnership's total funds available for film financing stand at about £20m.

In common with other film finance organisations, Goldcrest is lobbying the government to change its proposals on the tax relief provided for film making.

De Lorean receivers hit snags in U.S.

BY JOHN GRIFFITHS

EVIDENCE emerged yesterday that the Belfast receivers of the De Lorean sports car concern are growing increasingly frustrated with Mr John De Lorean's U.S. sales company.

The receivers issued a statement saying that efforts to raise new finance for the Belfast operation and help creditors were being blocked because of the U.S. company's refusal to recognise debts estimated at $20m (£11.22m)—to Belfast for cars supplied, and by the U.S. company's bankers having taken control of the U.S. stock of 2,000 cars.

Mr Paul Shewell, one of the joint receivers, has gone to the U.S. for a meeting aimed at resolving what the statement described as "this difficulty on which the viability of the company depends."

The receivers did not elaborate on who Mr Shewell would be meeting.

The key to unblocking the attempt to gain new finance lies with Bank of America. A few weeks ago it went to the courts to acquire possession of the U.S. car stock pile against claimed debts of £9.2m—funds provided to finance the De Lorean inventory.

Last week, however, the bank is understood to have released a batch of 100 cars to DMC for passing on to the 350-strong dealer network. A sample of dealers contacted last week indicated that sales have started to pick up with the onset of spring. One dealer said he was having difficulty getting cars.

De Lorean Motor Company in New York last night could not comment on the receivers' statement that it is refusing to recognise its Belfast debts.

But its stance is understood to be based on the complex financing agreements with the Northern Ireland company, which involved payments by Belfast to DMC and associated U.S. interests, in such areas as technology assistance and royalties.

The receivers discount the possibility of feeding the De Lorean network with a further supply of cars—it is still building 40 a week. This is regarded as impractical because DMC has no alternative inventory finance lines.

They also appear to regard as impractical any efforts for the Belfast company itself to seek to set up a financing line to dealers because of the complexity and lengthy time period likely to be involved.

The receivers stressed yesterday, however, that the Belfast company, which still employs 1,500, is not facing a reported Easter deadline by which it would have to close.

QC attacks council over pay award

THE PUBLIC was far more resilient to union action in the 1978-79 "dirty jobs" strike than certain local authority officers thought. For that reason Camden Council could have "stuck it out" instead of giving in to its manual workers' demands, Mr David Widdicombe, QC, said in the High Court yesterday.

He was appearing for the Metropolitan district auditor, who is asking Lord Justice Ormond and Mr Justice Forbes to declare that the Labour-controlled council acted contrary to law when it ended the strike in the Camden area by making "illegally generous" offers to the striking workers.

Mr Widdicombe said that the public was willing to put up with the hardships and discomforts caused by the strike. The council was wrong to give in without any negotiations by agreeing to pay the workers a £60-a-week basic wage for a 35-hour week.

Mr Roger Henderson, QC, for Camden Council, said Mr Widdicombe was doubly wrong in saying the Camden councillors had been "lily-livered" and should have been prepared to wait for a general settlement. The overwhelming factor was that they were faced with a serious strike which was endangering the health and safety

The hearing continues.

Why the jeans market is far from sewn up

David Churchill on Dickie Dirts' fight to avert bankruptcy

NIGEL WRIGHT, the Freddie Laker of the jeans world, was yesterday fighting to save his cut-price jeans retail chain Dickie Dirts from bankruptcy.

Mr Wright has called a creditors meeting for early May to discuss his company's debts —which he described yesterday as "considerable"—and hopes to avoid pressure from creditors to call in the Receiver.

Dickie Dirts has established a reputation in London over the past four years as a major discount retailer of branded-name jeans. Sales have reached 10,000 pairs of jeans a week, helped by late night and Sunday trading in defiance of the shops legislation. Mr Wright has campaigned consistently for changes in the law on trading hours, and particularly for Sunday opening.

But Dickie Dirts has fallen victim to the classic problem faced by entrepreneurial businesses, typified by the Laker collapse. The company was chasing high sales volume in a market being squeezed by the recession.

The recession has hit the clothing sector particularly hard and the poor weather last winter badly affected Dickie Dirt sales.

It is unlikely that Dickie Dirts—which is still trading—will be able to carry on in its present form, with late night opening and aggressive price-cuts, but a slimmed down version may survive.

Dickie Dirts' problems also pose a threat to Inverwear, the Scottish jeans company, which Mr Wright helped save from closure last year after a lengthy strike, by agreeing to take a guaranteed amount of stock for three years.

Dickie Dirts' problem raises doubts about the whole UK jeans market and its long term growth prospects. The market is traditionally one of the more competitive sectors of the fashion industry.

The fashion jeremiahs have long predicted the demise of the jeans market, while the industry has grown into a multi-million pound, world-wide concern.

Levi is still the world's largest jeans company dating back to the founder Levi Strauss, a German Jewish pedlar. He followed the gold rush in the last century and sold tent canvas to the panhandlers. However, Strauss found his roughly stitched trousers appealed more than his tents. The jeans had pockets riveted to support the weight of miners' tools.

These jeans soon became famous for their ability to stand up to rough treatment. But Levi and all the other major garment manufacturers had to wait until after World War Two before their trousers lost their work-wear image and emerged as fashion garments.

The jeans boom began in the 1960s, spearheaded by stars such as James Dean and Marlon Brando, but it was thought to be just a passing fad. However, John Wayne and other screen cowboys kept the jeans wagon on the move. By the 1970s, jeans had developed from a badge of protest to a mark of conformity that was almost respectable. Then middle-class citizens such as Jimmy Carter climbed into jeans and the big-time market had arrived.

Surprisingly, the trend towards respectability did not deter the young, although it reinforced the move towards a more fashion conscious market. Once the industry had reached this stage, aggressive marketing took over where the spontaneity of youth left off. But the industry is still finding it difficult to cope with the world-wide recession, and over-production is forcing a crisis.

The UK jeans market is among the world leaders, but even here—with retail sales estimated at more than £600m a year—market penetration is lower than one might expect. Only about one pair of jeans per adult is sold each year, far less than in the U.S. and some Scandinavian countries.

Market research carried out by Mintel last year found, not surprisingly, that jeans are most popular with the under-35s. A class breakdown reveals the universal appeal of jeans, although the DE socio-economic classes still lag behind the rest. However, this could be because of the higher proportion of old people in this group, rather than any social implications.

The UK market is dominated by Levi and Wrangler jeans although Marks and Spencer, in a comparatively short period, has captured a significant share of the market. This suggests, perhaps, that the brand name for jeans is unimportant as long as the finished garment is fashionable and competitively priced.

THE JEANS MARKET 1980
BRAND SHARES

	%
Levis	14
Wrangler	12
Marks and Spencer	8
Falmer	8
Brutus	7
Lee Cooper	4
Lee	3
Others	44

Source: Mintel

Marks has been forced into the more fashionable sector by competition from the heavily-advertised fashion jeans, such as Gloria Vanderbilt and Vidal Sassoon. Fashion jeans are big sellers in the U.S. but they appear to have passed their peak and the market is settling into a cycle of replacement jeans.

In the UK, the fashion end of the market has not taken a firm grip on trade, although heavy advertising has made fashion sales a significant part of overall trade.

The Argos discount stores chain yesterday reported that its Brutus women's stretch jeans were selling much faster than unbranded lines it had tried to sell before. Argos said its jeans—retailing at about £14—were selling at about 400 pairs a week.

Whether the jeans boom will ever end is a matter for endless speculation within the fashion and textile trades. Since they have survived previous changes of taste and recessions so well, there is little doubt they could do so again—especially as generations new to jeans are still being born.

UK NEWS — LABOUR

Miners' average pay up by only 7.3% despite higher deal

BY OUR LABOUR EDITOR

BRITAIN'S MINERS saw their average wages improve by only 7.3 per cent last year — in spite of a wage settlement said to be worth 13 per cent.

Figures published in the Employment Gazette shows that average weekly wages for male manual workers in the coal industry rose from £138.06 in October 1980 to £148.12 in October 1981.

In November 1980, the miners received a pay increase of 9.8 per cent on basic pay and worth 13 per cent on earnings. The settlement was for 10 months, running from January to November 1981.

Left-wingers in the National Union of Mineworkers, including Mr Arthur Scargill, the incoming president, and Mr Mick McGahey, president of the Scottish area, opposed the deal because they claimed it would lower living standards.

The National Coal Board, on whose figures the Gazette's information is based, said last night that the likely reason for the shortfall between the settlement figure and the average earnings for the period was a substantial drop in overtime worked.

The Board said that the fall in absenteeism, from more than 17 per cent two years ago to around 12 per cent now, meant that production could be planned more efficiently and overtime reduced.

The NUM agreed that overtime working had fallen considerably, but blamed the recession and reduced need for coal.

Miners remain top of the wages league, with average rates of £178 when such benefits as concessionary coal are added in to earnings.

However, the figures are likely to help fuel wages militancy this year. Calls for wage rises of between 27 and 35 per cent in basic rates are to be debated at the NUM conference in July.

Sealink workers to vote on Holyhead peace plan

BY ROBIN REEVES, WELSH CORRESPONDENT

NATIONAL Union of Railwaymen employees at Holyhead, North Wales, will meet tonight to vote on a peace formula to end a three-week-old dispute that has hit Sealink sailings from the port.

The union's national executive has recommended an end to the dispute over the planned introduction of a rival B&I Line ferry service.

The recommendation follows talks with Sealink last week at which the union claims certain assurances were given by the British Rail subsidiary.

Besides running the ferry service between Holyhead and Dun Loaghaire, Sealink also owns the port. Three weeks ago, Sealink suspended the service after NUR dockers at Holyhead refused to tie up B&I vessels. Irish seamen retaliated by blockading Dun Loaghaire port.

So far, only 38 Sealink men have been dismissed over the dispute. NUR members account for about half the 1,100 workers

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100), retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1981							
1st qtr.	99.5	88.7	98	106.6	130.8	2,282	100
2nd qtr.	99.0	88.9	92	104.7	134.5	2,482	89
3rd qtr.	99.8	89.7	103	105.5	139.1	2,641	96
4th qtr.	100.1	89.8	89	105.4	168.5	2,752	104
July	99.6	89.2	100	104.5	139.5	2,590	92
Aug	99.6	89.5	125	105.0	135.0	2,643	98
Sept	100.3	90.3	86	103.5	133.3	2,552	97
Oct	101.5	91.4	92	106.2	147.8	2,523	99
Nov	99.9	89.8	93	105.6	158.4	2,760	104
Dec	99.0	88.1	81	104.6	193.1	2,769	108
1982							
Jan	98.6	87.5		107.0	143.9	2,812	112
Feb				106.0		2,818	113
March						2,823	111

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s; monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1980							
4th qtr.	94.3	91.6	117.1	86.6	71.0	77.2	10.1
1981							
1st qtr.	93.6	88.3	117.1	84.1	75.7	76.7	10.9
2nd qtr.	93.2	88.7	117.9	84.8	78.7	75.8	14.1
3rd qtr.	93.5	89.3	118.5	85.3	77.3	75.1	14.2
4th qtr.	93.1	90.1	121.3	85.5	82.6	74.8	11.7
July	94.0	89.0	118.0	85.0	77.0	74.0	14.5
Aug	94.0	89.0	118.0	86.0	76.0	76.0	12.5
Sept	93.0	90.0	120.0	87.0	79.0	75.0	15.4
Oct	95.0	90.0	124.0	87.0	86.0	75.0	13.4
Nov	93.0	90.0	121.0	85.0	83.0	75.0	14.1
Dec	92.0	90.0	119.0	86.0	79.0	74.0	7.7
1982							
Jan	89.0	90.0	119.0	86.0	77.0	71.0	11.5

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1980							
4th qtr.	126.6	111.8	+1,265	+2,114	+222	105.2	27.90
1981							
1st qtr.		107.0					28.34
2nd qtr.							26.73
4th qtr.	135.8	132.3	+748	+1,248	+795	99.8	23.35
Feb	121.7	114.3	+314	+755	+231	105.2	28.43
March		105.5					28.21
April		106.2					28.07
Sept	130.2	135.3	+ 13	+114	+290	100.0	23.70
Oct	133.9	126.3	+355	+522	+ 89	98.9	23.32
Nov	139.8	141.7	+ 51	+218	+214	100.2	23.46
Dec	133.8	129.0	+331	+498	+102	100.4	23.35
1982							
Jan							23.23
Feb							23.37

Trade figures for March-August 1981 not available because of Civil Service dispute.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1981							
1st qtr.	6.8	8.8	12.4	+1,308	1,081	1,884	12
2nd qtr.	23.1	17.3	6.5	+4,250	1,103	1,936	12
3rd qtr.	8.1	18.1	29.7	+5,951	858	2,019	
4th qtr.				+2,184	522	1,980	
June	21.9	17.8	8.6	+1,164	371	674	12
July	14.2	17.2	19.8	+2,240	390	658	12
Aug	0.8	14.5	35.4	+1,546	244	659	—
Sept	9.7	22.8	34.3	+2,465	334	706	—
Oct	− 4.7	20.2	24.0	+1,557	154	681	—
Nov	7.6	17.3	20.4	+ 443	65	642	—
Dec				+ 184	203	657	—
1982							
Jan					356	656	
Feb					347		

INFLATION—Indices of earnings (Jan 1978=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1981							
1st qtr.	195.3	213.8	212.3	280.4	268.7	261.56	101.4
2nd qtr.	202.2	225.8	219.4	294.0	277.0	245.07	97.8
3rd qtr.	209.9	235.9	224.1	299.1	278.8	260.32	90.6
4th qtr.	214.6	237.3	229.2	306.5	285.6	248.97	89.7
Aug	210.4	236.8	224.1	299.3	277.3	257.64	91.2
Sept	211.7	237.9	225.9	301.0	279.6	260.83	88.0
Oct	212.5	238.2	227.8	303.7	282.7	259.12	88.2
Nov	214.3	236.9	229.4	306.9	285.5	245.79	90.1
Dec	217.1	236.8	230.4	308.8	288.5	248.97	90.8
1982							
Jan	214.1	238.7	232.7	310.6	296.1	252.94	91.1
Feb		239.6	234.4	310.7	297.1	241.77	91.5

*Not seasonally adjusted.

Wage councils 'may be adding to jobless total'

BY JOHN LLOYD, LABOUR EDITOR

THE COUNTRY'S 27 wage councils, which set minimum wages and conditions for about 2.75m workers in low-paid industries, are coming under strong pressure from the Government which believes their operation is increasing unemployment.

At the same time, Government measures to increase employment among young people are themselves undercutting the council's statutory rates.

Trade unionists, who sit on the councils with employer representatives, fear that they may be abolished when the Government has the opportunity to do so, in June, 1985.

Government's dissatisfaction with the councils has been increased by orders to be published by the retail trade — employing around 1.75m workers—which will increase minimum rates by £5 to £62 for shop assistants.

Mr Michael Alison, the Employment Minister, wrote to the councils in February to tell them of strong employer opposition to the proposed rises, and to their effect on shop prices and job opportunities, particularly for young people.

Following the Minister's letter, the proposals were revised to delay the payment of London weighting and other payments for some months. However, the increase on minimum rates remained the same.

Both Mrs Margaret Thatcher, the Prime Minister, and Mr Norman Tebbit, the Employment Secretary, have recently criticised the councils. In answer to a question in the Commons on March 4, Mrs Thatcher said that the Government was constrained by the International Labour Office Convention until 1985, but that "we are considering the matter."

Section 26 of the ILO convention, to which the UK is a signatory, lays down that the Government maintain wage-fixing machinery in low-paying industries. However, the Government can take the unusual step of renouncing the Agreement in June 1985.

Mr Norman Tebbit told the Commons on Tuesday that he was "giving serious consideration to how we can best avoid wages councils putting youngsters out of work."

"Unemployment among young people is not high because of their own actions but because they have been priced out of a job by other people's greed. They have never had a chance even to start a job."

Union officials, however, say that there is growing evidence that the Government's own Young Workers Scheme is undercutting the statutory minima set by councils. The scheme gives a £15 subsidy to employers for each worker under 18 whom he takes on at rates below £40.

In some cases, these rates are below the wage councils minima. Rates in the retail sector, for example, are £44.75 for 17-year-olds and £52.45 for 18-year-olds. Only the 16-year-old rate, at £39.05, falls below the scheme's level.

The Government is thus in the anomalous position of encouraging employers to pay below statutory rates, while employing wage inspectors to ensure that they do not.

Wage councils, most of which came into being in the 1920s, cost some £3.5m a year to run.

Directors urge caution on Employment Bill

BY OUR LABOUR EDITOR

MR WALTER GOLDSMITH, director general of the Institute of Directors, yesterday urged the Government not to add new measures to the Employment Bill.

Mr Goldsmith, whose advice has been influential in framing government employment policy, said a third Employment Bill would be required to reform unions' internal procedures, and might be possible within the lifetime of the present Parliament.

Earlier this week, Mr Norman Tebbit, the Employment Secretary, said he was under some pressure to bring in such a bill.

But Mr Goldsmith warned, that, "to go forward too quickly now would do inestimable harm to a campaign to tackle the worst immediate features of the imbalance of trade union power. It would be a grave setback to Britain's improving industrial relations, competitiveness and productivity if untimely pressure were to hand the TUC the opportunity to destroy the patient work of two years' preparation for legislation that will stick."

Action threat at Joe Coral betting shops

By Our Labour Staff

JOE CORAL, the bookmaker, may be without half the staff in its 640 betting shops this Saturday—Grand National day—and on subsequent Saturdays because of threatened strikes over pay and conditions.

The Transport and General Workers' Union, which represents about 2,800 Joe Coral staff, is understood to have rejected an offer which included a 7 per cent basic increase for most grades.

Business is usually doubled on Grand National Day.

Political levy change urged

BY OUR LABOUR EDITOR

EVIDENCE of rank and file dissatisfaction with the Labour Party has emerged in motions to the conference of the Left-led Association of Cinematograph, Television and Allied Technicians.

The motion says that "with the current changes to the political party structure within the country, a new system should be devised enabling all political levy-paying members to nominate which party they would like an appropriate proportion of their political levy paid to."

A second motion, from Pinewood Studios, demands that the union de-affiliate from the Labour Party, but other motions firmly underscore the union's traditional, left-wing position.

Other motions, however, on bias in the media and trade union rights, underscore the traditional strongly left-wing position adopted by the union.

The union's general secretary, Mr Alan Sapper, is a leading left-wing member of the TUC.

● Strong criticism of the Labour Party's recent policy statement has come from Sir John Boyd, general secretary of the right-led Amalgamated Union of Engineering Workers. Writing in the AUEW Journal, Sir John attacks the document, the Socialist Alternative.

Dockers plan 1-day national stoppage

By Brian Groom, Labour Staff

DOCKERS' shop stewards meet in Hull on Saturday to set the date for an unofficial national one-day strike.

They are protesting against plans for a cost-cutting reorganisation of the National Dock Labour Board, which runs the statutory employment scheme for the 18,640 registered dockers. They believe it will undermine dockers' employment rights.

The most likely date is April 15, when the next meeting of the National Docks Committee of the Transport and General Workers' Union is due.

The unofficial National Ports Shop Stewards' Committee wants a lobby of the meeting to press the union into opposing the plans.

Employers fear that the committee may have found an issue that will arouse dockers' anger.

One steward at Southampton said last night: "We'd expect 100 per cent support from the ports in the National Dock Labour Scheme."

Unions and employers on the National Joint Council for the Port Transport Industry met last night to seek a new proposal to end the pay strike which has disrupted Tilbury docks for 10 days.

UK NEWS – PARLIAMENT and POLITICS

Thatcher pledges stand on EEC payments

BY IVOR OWEN

TOUGH BARGAINING over the level of payments to the EEC was promised by the Prime Minister in the Commons yesterday when she reaffirmed her determination to secure an agreement which leaves Britain making no more than a "modest net contribution" to the Community budget.

"I think that is reasonable and fair," she declared when she reported to MPs on the outcome of the EEC summit.

The Prime Minister's view was strongly supported by Mr Roy Jenkins, the former President of the EEC Commission, who was persistently barracked by Labour left wingers when he made his first intervention since triumphing for the Social Democrats in the Glasgow Hillhead by-election.

Mr Jenkins told Mrs Thatcher that there would be full support for Britain paying "a fair contribution."

Mr Michael Foot, the Labour leader, sharply reminded the Prime Minister that she was still under an obligation to comply with a resolution approved by the Commons in July 1979 which committed the Government to seeking a "zero net contribution" to the Community budget.

He called on Mrs Thatcher to obtain the authority of the House by amending the resolution before yielding to EEC pressure, even to the extent of agreeing to a modest net contribution.

Better still, Mr Foot argued, the Government should heed the growing demand in the country for Britain to leave the EEC and reach a different agreement with the other nine members.

The Prime Minister retorted that the present Government had been more successful than its Labour predecessor in scaling down the size of the net contribution which Britain made to the EEC.

She confessed to having been both "disappointed and surprised" when President Mitterrand made it clear that France would block the proposed compromise deal for a five-year agreement limiting the scale of payments made by the British Treasury to Brussels.

Mrs Thatcher was adamant that the decision not to go ahead with the compromise devised by M Gaston Thorn, President of the EEC Commission, and Mr Leo Tindemans, Belgian President of the EEC Council of Ministers, meant that progress would be blocked on the Common Agricultural Policy, and on economic and social affairs as well as on the budget.

"The decision not to go ahead on the Thorn/Tindemans format will undoubtedly hold up agreement on all three of these things," she stressed.

Mr Jenkins also called for concerted action by the EEC to step up investment in the development of the microelectronics industry.

Emphasising that Europe accounted for 30 per cent of the market in microelectronics while undertaking only 15 per cent of the production he warned that without substantial government and Community intervention Europe as a whole would not remain a major economic power by the end of the century.

The Speaker, Mr George Thomas, rebuked left wingers who persistently interjected, including Mr Dennis Skinner (Lab Bolsover), who described Mr Jenkins as "Mr Common Market himself" and other left wingers who persistently interjected.

"This House stands for free speech and we are going to have it," he insisted.

Mr Jenkins challenged the agreement reached at the summit that an increase in productive investment would have to be associated with a reduction in consumption.

Defending this conclusion, Mrs Thatcher said it had been recognised that further investment must either be financed by increased taxation or by asking for reduced wage increases.

Otherwise, she contended, there would be increased borrowing and increasing interest rates.

"We are not prepared to do anything which would push up interest rates," she stressed.

Mr Enoch Powell (OUP, Down South) assured the Prime Minister that most people in the country derived encouragement and hope from reports indicating that she was seeking to maintain Britain's national interests and the right to take her own economic decisions on matters of vital importance, "whatever toes she may have to tread on."

Mrs Thatcher replied: "That is the position. I am grateful to Mr Powell."

The Prime Minister reminded Labour advocates of withdrawal from the EEC that the CBI had estimated that 2.5m jobs depended on Britain's continuing membership.

Amersham sale sparks 'precautions' on Britoil

By John Hunt, Parliamentary Correspondent

THE GOVERNMENT is taking extra precautions to ensure that it gets a fair price when it sells some of the assets of the British National Oil Corporation to form the new oil production and exploration subsidiary Britoil.

Mr Hamish Gray, Minister of State for Energy, gave an indication of this in the Commons last night when he replied to Labour warnings that the Britoil sale could be a repeat of the "fiasco" when Amersham International shares were recently sold on the market.

Mr Gray said an independent valuation of Britoil's North Sea assets would be available from petroleum engineers, Energy Resource Consultants Limited, in advance of the sale. There will also be advice from the Government's own merchant bank advisors, S. G. Warburg.

On the basis of this report and advice, said Mr Gray, "The Government will be able to form a clear and balanced view of the value of the shares."

His department would also be looking very closely at the comparable valuation of other oil companies.

"Our valuation of the shares will be careful and it will be very thorough," he promised.

He also made it clear that the Government would be very cautious over the timing of the sale, and hinted that it would not be prepared to go ahead with it in the present depressed oil market.

It will also make every effort to ensure a wide distribution of the shares among employees and small investors—an aspect of the Amersham sale which came in for particular criticism from the Labour benches.

There were angry protests from the Opposition last night when he told them that the Government was not prepared to publish the independent valuation of the assets of Britoil in advance of the sale.

This brought angry protests and shouts of "utter humbug" from the Labour front benches.

Mr Gray, however, insisted "preparations leading up to the sale will be carried out in the glare of publicity. It would be quite wrong for the Government to anticipate this prospectus by publishing its own valuation of assets in advance.

The exchange came during the Report Stage of the Oil and Gas Enterprise Bill which empowers the Government to float Britoil on the market.

He rejected a Labour attempt to insert a new clause in the Bill stipulating that the method of sale and the valuation of the shares should be subject to scrutiny and approval of parliament before the flotation.

Mr Ted Rowlands, a Labour energy spokesman, was strongly critical of the way the sale of Amersham International had been conducted. He said that Rothschild, which acted as Government advisers, should not be allowed to play any part in the disposal of BNOC assets.

Mr Rowlands told the House that the "succession of blunders" over Amersham should be a very severe warning to the Government in the proposed Britoil sale.

The Labour new clause was rejected by a Government majority of 61 (214-275).

Irish minister urges Prior to postpone Ulster devolution

BY MARGARET VAN HATTEM, POLITICAL STAFF

THE IRISH Government yesterday went in to bat for Northern Ireland's Catholic minority, urging Mr James Prior, Northern Ireland Secretary, to postpone plans for devolved government.

Speaking on the eve of a Cabinet decision on Mr Prior's draft Bill and White Paper on devolution, Mr Gerrard Collins, the Irish Foreign Minister, warned that the proposals had little chance of success and might do more harm than good.

If they failed, it might be several years before another attempt could be made, he said.

However, the Cabinet is expected later today to approve both the Bill and the White Paper, which has been modified following criticisms from Mrs Thatcher, and both are expected to be presented to the Commons early next week.

Prior: resisted pressure

Mr Collins's warning came after a 90-minute meeting with Mr Prior in London yesterday, during which he expressed his doubts. These are similar to those expressed by leaders of the Social Democratic and Labour Party, Ulster's main Catholic party, at a meeting with Mr Prior in Belfast on Tuesday night.

Mr Collins pointed out that none of Ulster's three main political parties support Mr Prior's proposals. He also considered them deficient in that they did not adequately recognise the Irish context of devolution, and dealt inadequately with the problem of reconciling the Catholic and Protestant traditions in Ireland as a whole.

The problem centres on references to Anglo-Irish relations, and specifically to the parliamentary tier which both the Irish and British Governments have agreed should be added to the recently-established Anglo-Irish Council.

Dublin and the SDLP see this body as providing the Irish dimension on which their support for the proposals is conditional.

The British Government clearly envisages a much less formal, less influential body than that for which Dublin is pressing.

Mr Prior's attempts to bridge the gap met strong opposition from Mrs Thatcher at a meeting of the Cabinet's overseas and defence committee last week, and he was instructed to water down sections of the White Paper referring to the Irish dimension and the parliamentary tier.

Mr Prior appears to have resisted this pressure to some extent and is likely later today to stress to Cabinet colleagues the dangers of pushing the SDLP beyond endurance.

While the proposals give them an effective veto over Unionist majority rule, the SDLP forsees few positive opportunities arising from devolution other than through access to the Anglo-Irish parliamentary body.

The SDLP clearly hopes that Mr Charles Haughey, the Irish Prime Minister, may be able to wrest further concessions from Mrs Thatcher at a summit meeting due to be held in late spring.

They are likely to reserve their position until after that meeting.

Certain Tory back benchers have signalled their interest in setting up an Anglo-Irish parliamentary body which Northern Ireland Assembly members could later attend, and may be awaiting encouragement from the Government before proceeding further.

Informal consultations with Irish MPs and members of the Irish government could begin at any time, leading to the group's inaugural meeting this summer.

Alliance deal on 505 parliamentary seats

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

LIBERALS and Social Democrats yesterday gave themselves another three weeks in which to complete negotiations over the distribution of parliamentary seats.

On the day originally set for the completion of negotiations, the two parties announced that they had reached agreement on 505 of the 527 seats under discussion.

Liberals are to fight 256 and Social Democrats 249. A final meeting of the national joint negotiating team is planned for April 20 to ratify agreements in the eight outstanding areas, and to set up independent arbitration for intractable cases.

It is expected that around 12 seats will eventually have to go to formal arbitration. In the meantime, disagreements over four constituencies in Reading and Oxford are to be referred to an interim disputes panel.

The negotiations have been very difficult in some areas, and the two parties acknowledged yesterday that there were still problems in some of the seats where agreement has been reached.

Some of the outstanding areas are believed to pose serious problems, notably central London; Gloucester, Wiltshire and Avon; and Shropshire, Hereford, Worcestershire and Staffordshire.

Mr David Steel, the Liberal leader, and Mr Bill Rodgers, the SDP leader responsible for the negotiations, both claimed yesterday to be satisfied with the negotiations.

Mr Steel said that in view of the interruption caused by the Hillhead by-election campaign, and the "hiccup" in discussions at the beginning of the year, the negotiations had gone very well.

Mr Rodgers claimed they had achieved their objective of "equality of numbers and winnability."

A national repeat of the swing to the Alliance at Hillhead would, however, give the Liberals more seats than the SDP.

The joint negotiating team noted agreements reached locally in North West London, where the Liberals are to fight eight seats, including Harrow, and the SDP six; and in Greater Manchester South, where, despite continuing complaints on both sides, the seats are to be divided equally between the two parties.

Leaving aside the seats in Reading and Oxford, the negotiating team also ratified a 50-50 division of the constituencies in the Berkshire, Buckinghamshire and Oxfordshire area.

Under this agreement, the Liberals will fight Newbury, one of the seats of which they have high hopes, and the SDP will fight Eton and Slough, Wokingham, and Bracknell — all seats in which the Alliance believes it could do well.

Williams warns on leadership

By Elinor Goodman

MRS SHIRLEY WILLIAMS last night came out publicly against the idea of Mr Roy Jenkins becoming the leader of both the SDP and the Alliance. Her comments came on the eve of today's meeting of SDP MPs to discuss the whole issue of the leadership in the light of Mr Jenkins' return to Westminster.

Mrs Williams warned that the SDP must not turn "towards a hierarchy dominated by a single person, however wise or brilliant."

The same point was made by Mr Michael Thomas, the SDP MP for Newcastle Upon Tyne. In a speech in Lewisham, he said that it was essential that the SDP and Liberals retained separate leaders.

Immediately after Mr Jenkins' election, Dr David Owen, the current leader of the SDP at Westminster, made it clear that he was against Mr Jenkins becoming the leader of both the SDP and the Alliance on the grounds that it was essential that the party retained its identity.

Despite the support yesterday for Dr Owen's view from both Mrs Williams and Mr Thomas, the signs are that those opposed to Mr Jenkins holding both jobs are in a minority at Westminster. Nevertheless, Dr Owen seems determined not to give up without a fight, and whatever the outcome of today's meeting the differences within the SDP ranks about the role of the Alliance will remain.

Mrs Williams, who would certainly have won the SDP leader's position if Mr Jenkins had not stood, was careful to pay tribute to his skills. She said he was "the natural leader of the Alliance, and its best potential candidate as Prime Minister."

She acknowledged that he could "unquestionably do both jobs and do them well." But if the SDP and the Liberals were to maintain widespread electoral support they needed to "retain the concept of a collective leadership" as far as possible.

Mr Jenkins has already made it clear that he intends standing for both posts. And Mr David Steel, the Liberal leader, supports the idea of Mr Jenkins becoming "Prime Minister designate" of the Alliance if he is elected leader of the SDP.

Terrorism covered in new set of D Notice guidelines on security

A NEW set of "D Notices"—the voluntary system of self-censorship on security matters operated by the British media—was issued yesterday. Terrorism is mentioned for the first time.

The new documents, issued by a joint committee of government representatives and journalists, advise editors of particularly sensitive areas of defence secrets.

The move follows an 18-month review of the system by the Defence, Press and Broadcasting Committee — DPBC — and strong criticism from a Commons select committee.

The number of D Notices is reduced from 12 to eight and the label "private and confidential" is dropped.

The subjects dropped are: advice on Royal Navy warship construction and equipment; aircraft and aero engines; prisoners of war; and the whereabouts of the former KGB chief in Canberra, Vladimir Petrov, and his spy wife, who defected to Australia in 1954.

The D Notice committee said it wanted the public to know more about the system to avoid "difficulties and misconceptions" that had occurred in the past.

The threat of terrorism is mentioned in the introduction to the new notices, which says the "dissemination of sensitive information . . . can also be of value to terrorist groups who lack the resources to obtain it through their own efforts."

It warns: "there are dangers inherent even in the publication of information covered by D Notices which has already appeared elsewhere.

"It is strongly requested that there should be no elaboration, nor confirmation or denial, of the accuracy of items published elsewhere, without reference to the Secretary"—Rear Admiral William Ash.

The introduction says: "The criterion used to establish and administer D Notices is that they should be strictly confined to subjects where secrecy is agreed to be necessary.

"The guidance is not intended to be inflexible: in particular cases, some relaxation may be possible, but in order to avoid serious risk which may not be apparent, editors and publishers are asked to consult the D Notice Secretary whenever there may be doubt."

It points out that the system is voluntary has no legal authority.

The Official Secrets Acts cover the legal aspects of publishing official information, and the introduction adds: "There is no direct relationship between the D Notice system and the official secrets acts."

But it warns: "Nothing in the D Notice system relieves an editor of his responsibilities under the Acts.

MPs criticise Whitehall on defence liaison

By Bridget Bloom, Defence Correspondent

CO-OPERATION and consultation between the Ministry of Defence and the Department of Industry is "minimal," a Labour MP told the Commons select committee on defence yesterday.

A memorandum from the department describing a close relationship with the Ministry provoked close questioning from MPs, but officials were unable to say how much aid the department had given defence industries.

The replies of the official team, led by Mr J. C. Leeming, Under Secretary in charge of industrial and commercial policy, prompted Dr John Gilbert (Dudley East), the senior Labour member of the committee, to say the department's memorandum seemed to contain "no more than pious platitudes."

Consultation and co-operation between the DoI and the Defence Ministry appeared minimal, he said.

Mr Michael Mates (Con, Petersfield) said the department appeared to show scant concern for defence industries, despite the implications for employment and regional policy.

Mr Cranley Onslow (Con, Woking) chairman of the committee, said he was disturbed at the apparent lack of consultation between the DoI and the Defence Ministry on key projects.

He singled out the P110, a new fighter aircraft being developed without government money by British Aerospace, and an anti-radar missile system which BAe and Marconi wanted to develop to compete with an American system.

The defence committee's inquiry into the procurement of defence equipment, currently worth some £6bn a year, is scheduled to end in June.

Livingstone 'causing great damage'

Financial Times Reporter

MR KEN LIVINGSTONE is causing "great damage" to the relationship between police and public, a Tory peer said in the Lords yesterday. The attack on the GLC leader came from Baroness Gardner of Parkes, who is Westminster City councillor, as she opened a debate on the problems of city areas.

She said of Mr Livingstone's attack on Sir Kenneth Newman, appointed Metropolitan Police Commissioner to succeed Sir David McNee: "Instead of these deliberate attacks constantly issuing from the GLC, we should be seeing efforts to support the police and to develop harmonious relationships between the police and people of London."

Lady Gardner said that where people were afraid to walk the streets, communities were unable to survive.

Another Tory, Baroness Faithfull of Wolvercote, recalled how she had lived in a Birmingham slum before the war. She described life in a back-to-back house in an area where children played in the streets without fear and wives drank tea on their doorsteps to discuss their problems.

Opponents of Lloyd's Bill step up lobbying campaign

BY JOHN MOORE, CITY CORRESPONDENT

THE LLOYD'S BILL for improving the insurance market's self regulation comes up for a Second Reading debate in the Lords today against a background of heavy lobbying by opponents seeking to have the Bill extensively changed or blocked.

The Bill faces six parliamentary petitions lodged by sectional interests of the Lloyd's market. These will be heard by a Lords select committee in May.

The most significant attack on the Bill has been launched by a group of underwriting agents, the groups which run underwriting syndicates at Lloyd's, which are opposed to plans to break shareholding links between insurance brokers and underwriting agencies.

Underwriting agencies are concerned that if they are not allowed to own insurance brokers they will not be able to take a sufficiently independent stand against the major brokers who provide the Lloyd's market with most of its business.

Andrew Drysdale Underwriting, an influential underwriting agent, has launched, with other agencies, a petition in the Lords to stop the divestment of brokers' links with agencies. Drysdale argues that the ruling committee of Lloyd's does not really believe in the divestment plan.

It argues that Lloyd's supports divestment only because the Commons has ruled that the proposal must be incorporated in the Bill.

TELEVISION

Chris Dunkley: Tonight's Choice

A marvellous night on ITV: no repeats, no mindless situation comedies, and no American imports designed to buy cheap ratings in peak hours. Instead the start of a major midweek arts series, a new play, and a courageous programme devoted to party politics. And if you'll believe that you'll believe today is Christmas and not April 1. Judging from their schedule, ITV are quite happy for the sort of people who read this newspaper to spend the night with the BBC.

BBC-1 offers the Kenny Everett Television Show which has improved if only slightly since moving from ITV, and the start of a new three-part thriller called Badger By Owl-Light. This features a terrorist bomber, a religious cult, and hired hit-man Peter Talion. A note of caution: it comes from BBC Scotland which has turned out some pretty dreary drama recently. Guests on Question Time, which is always good value, include Norman St John Stevas.

On BBC-2 Prof David Donnison presents the last of his series Hard Times examining the realities of being poor in Britain today. A Winter's Day is an impressionistic programme without commentary bringing together film shot by five BBC crews in different parts of the country from Kew Gardens to Baston Fen on Day one of this year's rail strike.

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 6.40-7.55 am Open University. 11.30-11.50 For Schools, Colleges. 12.30 pm News After Noon. 1.00 Pebble Mill at One. 1.45 Mr Benn. 2.00 Great Britons (Horatio Nelson). 3.00 Tom and Jerry. 3.15 Holiday with Cliff Michelmore. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Secret Squirrel. 4.25 Jackanory. 4.40 The Beautiful Green Bird. 5.00 John Craven's Newsround. 5.10 Blue Peter. 5.35 The Perishers.

5.40 News.
6.00 Regional News Magazines.
6.25 Nationwide.
6.55 Tomorrow's World
7.20 Top of the Pops
8.00 The Kenny Everett Television Show.
8.30 Love Story: Love is Old, Love is New: A four-part serial starring Jane Asher
9.00 News.
9.25 Badger By Owl-Light, (thriller in three parts, starring Cavan Kendall).
10.15 Question Time with Robin Day.
11.15 A Kick Up the Eighties starring Richard Stilgoe. "Relationships" (which used to be called Sex).
11.43 News Headlines.
11.45 So You Want to Stop Smoking: Your Money and Your Life.

BBC 2

6.40-7.55 am Open University.
11.00-11.25 Play School.
2.20 pm Racing from Aintree.
4.35 Jump Run.
4.50 Caught in Time.
5.10 R. M. Schindler, Lovell Beach House.
†5.40 Laurel and Hardy.
6.05 The U-Boat War.
6.55 County Hall.
7.20 News Summary.
7.25 Hard Times.
7.55 A Winter's Day.
8.30 Russell Harty and guests.
9.00 Call My Bluff.
9.30 Heart Transplant.
10.10 Haydn Festival.
10.45 Newsnight.
11.30-12.15 am The Old Grey Whistle Test.

LONDON

9.30 am Geography Today. 9.50 "The Young Pioneers" starring Roger Kern. 11.25 Paint Along with Nancy. 11.55 The Bubblies. 12.00 The Woofits. 12.10 pm Get Up and Go. 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Crown Court. 2.00 After Noon Plus presented by Judith Chalmers and Trevor Hyett. 2.45 Show Jumping: The Birmingham Championships from the National Exhibition Centre. 3.45 The Cuckoo Waltz. 4.15 Dr Snuggles. 4.20 Little House on the Prairie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News.
6.30 Thames Sport: Derek Thompson, Allan Taylor and Simon Reed reflect the sporting scene
7.00 Looks Familiar.
7.30 Rising Damp.
8.00 Falcon Crest starring Jane Wyman.
9.00 Shelley.
9.30 TV Eye investigates the death of Neil Aggett.
10.00 News.
10.30 Danger UXB
11.30 Show Jumping: The Birmingham Championships.
12.30 am What the Papers Say.
12.45 Close: Sit Up and Listen with Tony Bridge.

† Indicates programme in black and white

All IBA Regions as London except at the following times:—

ANGLIA

9.50 am Sesame Street. 10.40 James Brown—Soul Brother. 11.50 Wattoo, Wattoo. 1.20 pm Anglia News. 2.00 Not for Women Only. 4.20 Palmerstown. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 Benson. 10.30 Basketball. 11.00 Show Jumping from the National Exhibition Centre. 12.00 The Jazz Series. 12.30 am The Living Word.

CENTRAL

9.30 am 3-2-1 Contact. 10.05 Gardening Time. 10.30 Through the Eyes of a Child. 10.50 The Boy and the Ball. 11.00 Islands of Darkness. 12.30 pm The Young Doctors. 1.20 Central News. 4.20 Sport Billy. 4.45 Jason of Star Command. 5.15 Here's Boomer. 6.00 Crossroads. 6.25 Central News. 7.00 Emmerdale Farm. 7.30 England their England. 10.30 Venture. 11.00 Birmingham Show Jumping Championships. 12.00 Central News.

GRANADA

9.50 am Stingray. 10.10 Alphabet—The Story of Writing. 10.40 Bailey's Bird. 11.00 Sesame Street. 1.20 pm Granada Reports. 1.30 Exchange Flags. 2.30 Yesterday. 4.20 Here's Boomer. 4.50 Voyage to the Bottom of the Sea. 6.00 This Is Your Right. 6.05 Crossroads. 6.30 Granada Reports. 7.00 Emmerdale Farm. 10.30 Barney Miller. 11.00 Birmingham Show Jumping Championships. 12.00 What the Papers Say. 12.15 am Late Night From Two.

HTV

9.50 am Kum Kum. 10.10 Roadrunner. 10.15 Wild, Wild World of Animals. 10.40 Stingray. 11.05 Retirement Report. 11.35 International Bowls. 1.20 pm HTV News. 4.20 Here's Boomer. 4.45 The Flying Kiwi. 5.10 Jobline. 5.20 Crossroads. 6.00 HTV News. 6.30 How's Your Father? 7.00 Emmerdale Farm. 10.28 HTV News. 10.30 Superstar Profile. 11.00 International Show Jumping.

HTV CYMRU/WALES—As HTV except: 12.00-12.10 pm Mwsti. 4.15 Dick Tracy. 4.20 Spiderman. 4.45 Ser. 5.10-5.20 The Undersea Adventures of Captain Nemo. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena.

SCOTTISH

9.50 am Thursday Matinee: "Earth Versus The Flying Saucers." 11.05 Challenge — the Canadian Rockies. 1.20 pm Scottish News. 4.20 Unaccustomed As I Am. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Bodyline. 6.30 Now You See It. 7.00 Emmerdale Farm. 10.30 Preview. 11.00 Birmingham Showjumping Championship. 12.00 Seachd Laithean. 12.15 am Late Call.

TSW

9.50 am Sesame Street. 10.50 Alphabet: The Story of Writing. 11.15 Rocket Robin Hood. 11.35 Paint Along With Nancy. 1.20 pm TSW News Headlines. 5.15 Gus Honeybun's Magic Birthdays. 5.20 Crossroads. 6.00 Today South West. 6.30 Tele Views. 6.40 On the Water. 7.00 Benson. 10.32 TSW Late News. 10.35 Politics South West. 11.05 International Show Jumping. 12.00 am Postscript. 12.05 am South West Weather.

TVS

9.50 am Survival. 10.15 Story Hour. 11.10 Tarzan. 1.20 pm TVS News. 2.00 Not For Women Only. 5.15 Radio. 5.30 Coast to Coast. 6.00 Coast to Coast. (continued). 6.35 Crossroads. 7.00 Emmerdale Farm. 10.30 Enterprise. 11.00 Show Jumping. 12.00 Company.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 9.50 The History Makers. 10.15 Cartoon Time. 10.25 Morning Movie: "The Love Match" starring Arthur Askey. 11.50 Sally and Jake. 1.20 pm North East News and Lookaround. 4.20 The Flying Kiwi. 4.50 Voyage to the Bottom of the Sea. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 10.32 Come In . . . 11.00 Show Jumping from the National Exhibition Centre, Birmingham. 12.00 Job Slot Extra. 12.05 am Life Is Six To Four Against.

YORKSHIRE

9.50 am Sesame Street. 10.50 The Alphabet: The Story of Writing. 11.15 Young Ramsey. 1.20 pm Calendar News. 4.20 Sport Billy. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Crossroads. 7.00 Emmerdale Farm. 10.30 Happy Families. 11.00 International Show Jumping.

RADIO

(S) Stereophonic broadcast

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Steve Wright. 5.00 Peter Powell. 7.00 The Record Producers. 8.00 David Jensen. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Gloria Hunniford (S). 2.00 Ed Stewart (S) including 2.35 Racing from Aintree. 4.00 David Hamilton (S). 5.45 News, Sport. 6.00 John Dunn (S). 8.00 Country Club (S). 9.00 Alan Dell with The Big Band Sound (S). 9.55 Sports Desk. 10.00 The News Huddlines. 10.30 Star Sound Extra with Nick Jackson. 11.00 Brian Matthew with Round Midnight. 1.00 am Truckers' Hour (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Walton (S). 10.00 Brahms and Holst concert (S). 11.50 Jerzy Koenig guitar recital (S). 12.25 pm Songs by Lange-Muller and Strauss (S). 1.00 News. 1.05 String Quartet Competition (S). 2.15 "Maria di Rudenz" opera in three acts by Donizetti (sung in Italian) (S). 4.30 Brahms piano recital (S). 4.55 News. 5.00 Mainly for Pleasure. (S). 7.00 Grieg and Dvorak violin and piano recital (S). 7.45 Terror by Ken Gass (S). 9.00 Telemann concert (S). 9.30 Between Two Shores (short story). 10.00 Music In Our Time (S). 11.00 News. 11.05-11.15 A Polish Romantic: Maria Agata Szymanowska (piano music) (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.33 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 A Good Night Out. 9.30 The Living World. 10.00 News. 10.02 Town Hall Rules OK? 10.30 Daily Service. 10.45 A Missing Masterpiece? 11.00 News. 11.05 File on 4. 11.50 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain 1982 (S). 12.55 Weather, travel, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre (S). 4.00 Home Base. 4.15 Bookshelf. 4.45 Story Time. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News, including Financial Report. 6.30 Any Answers? 6.54 It's A Bargain. 7.00 News. 7.05 The Archers. 7.20 An American Concert from the Barbican Centre, City of London, Part 1: Roy Harris, Bernstein (S). 8.00 Separated by the Same Language: Fritz Spiegl considers GBS's comment on England and America. 8.20 Concert, Part 2: Ives, Gershwin (S). 9.10 The Book of the Axe. 9.30 Kaleidoscope. 9.58 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BUSINESS LAW

When is plant not plant

BY A. H. HERMANN, Legal Correspondent

THE MORAL of this piece is that before investing heavily in electrical light fittings, one should make sure that one is within the jurisdiction of right-minded Special Commissioners who recognise such fittings as plant and allow the expenditure against the first year's trading income. There is little point in appealing if they do not.

On March 4, 1982, the House of Lords ruled* that electrical light fittings do enjoy such tax advantage. A week later, on March 11, 1982, the Law Lords confirmed† that they do not.

It all depends on the meaning of the word "plant"—perfectly clear to a manager but full of mysteries to lawyers.

The two contradictory judgments were both unanimous. The leading opinion was delivered in the first case by Lord Wilberforce, and in the second by the Lord Chancellor, followed by Lord Wilberforce.

The House of Lords has recently created great uncertainty about the approach to tax avoidance schemes. After a long period of grammatical interpretation favouring the tax avoider, it turned against the tax avoidance industry by shifting the emphasis from forms of transactions to their reality, only to return again to the grammatical method in its recent decisions. The two judgments concerning electrical light fittings illustrate perhaps even better, how the lack of a consistent method adds to the unpredictability of law.

* * *

The first case concerned the installation of new electrical light fittings and of various pieces of decor and murals, such as plaques, tapestries and pictures in hotels belonging to the Scottish and Newcastle Breweries. In one hotel these included a set of two elaborate metal sculptures representing seagulls in flight.

The Special Commissioners disallowed electrical wiring but held that the fittings, decor and murals, including the seagulls, were plant, in that they created the "atmosphere" or "ambience" which could attract customers. The Law Lords agreed with them that all these fittings and artefacts should be regarded as apparatus of the trade, and so, as plant, attracting 100 per cent tax allowance in the first year of its installation.

The word plant, frequently used in fiscal and other legislation, is one of those which have no statutory definition. Lord Justice Buckley said about it not so long ago, in 1979, that it is an ordinary English word which should be interpreted as having the meaning which it would be given under the circumstances of the particular case by a man who speaks and understands English accurately but not pendantically.

Last year, Lord Justice Oliver added that "The English speaker must, I think, be assumed to have studied, though, authorities." Once he had, he forgets about plain English! "No ordinary man, literate or semi-literate," said Lord Wilberforce, "would think that a horse, a swimming pool, moveable partitions, or even a dry dock was plant—yet each of these has been held to be so: so why not such equally improbable items as murals, or tapestries, or chandeliers? . . . "In the end each case must be resolved, in my opinion, by considering carefully the nature of the particular trade being carried on, and the relation of the expenditure to the promotion of the trade." One can hardly quarrel with this, but is it a question of fact or of law?

Lord Lowry said that; though the meaning to be given to the word plant was a question of law for the courts to interpret, there were cases which, on the facts, were capable of decision either way. Evidently, as soon as it became as difficult as that, it was no longer a question of law but a question of fact and degree, and in such a case the decision cannot be upset as being erroneous in point of law, except when the Commissioners misunderstood or misapplied the law.

But how could they err in law if it was all a question of fact? At this point the plain English speaker is lost for the second time. How can you say that the Commissioners drew the wrong conclusions in law when you started with the premise that law does not provide an answer and that the case should be decided on facts, he argues. Whatever the logical weakness of such reasoning, it leaves the courts free to do as they please.

* * *

In spite of all this the next appeal was dismissed by their Lordships because they found that the interpretation of the word "plant" was a question of facts which were better left to the Commissioners. In this case the plant, or non-plant, at issue were electrical light fittings in the Brent Cross Shopping Centre. Having approved, in the case of the hotels, that the fittings were plant in law, the Lords proceeded to uphold that they were not plant in the case of the shopping centre as it was a question of fact.

One would say that in a retail business, good lighting may be as necessary to attract the customers and to create a cheerful ambience as in a hotel, and even more necessary to enable the customers to see the goods they want to buy. Indeed, one could say that special care is necessary to select such lighting in which the materials can be seen in their true colours. Yet, in this case, the Commissioners thought that lighting was not plant. So be it, said their Lordships, but not with any great conviction.

* * *

In this second judgment the leading speech was made by Lord Hailsham, the Lord Chancellor. He reminded the House of the words of Mrs Piozzi in 1789 when the word "plant," applied to a large portion of ground in Southwark destined to the purpose of extensive commerce, caused her some difficulty or, as she said, "gave me much disturbance from my inability to fathom the meaning of it."

Lord Hailsham then proceeded to analyse the meaning of "plant" in the botanical and in the industrial context and in the UK and Australian usage. He wondered whether the whole form in which special cases have recently come to be stated does not add force to the doubts as to the value of the present four-tier system of appeal.

In this sea of uncertainty, Lord Hailsham finally found a tiny island of firm ground on which he could rest his foot and push away the mountain of legal argument which, by now, seemed somewhat overwhelming. He took refuge in the Commissioners' statement that the multiplicity of elements of which the electrical installation consisted prevented them from treating it as a single entity. Lord Hailsham wondered why—in the hotel case the Commissioners did not suffer by any such hang-ups—but thought that the Commissioners entered clearly the realm of fact and degree. There was no question of law. Their Lordships would wash their hands of it. The contemporary ordinary man will be caused no smaller disturbance than Mrs Piozzi suffered in 1789.

* House of Lords, Commissioners of Inland Revenue v Scottish and Newcastle Breweries Limited. Judgment March 4, 1982, unreported

† House of Lords, Cole Brothers Limited v Phillips (Inspector of Taxes), Judgment March 11, 1982, unreported

RACING

BY DOMINIC WIGAN

AINTREE'S Grand National meeting gets under way today with yet another formidable-looking Irish presence at Liverpool.

The Irish, who notched hat-tricks on the first two days of Cheltenham, field ten this afternoon, including four — Temple Mills, Distemper, Bonnie Son, and Yer Man — in the Topham.

That quartet make a formidable team, but I suspect the big race sponsored by Ladbrokes (for whom this is the last meeting they are running here) can go to Strombolus.

This high-class young chaser of a few seasons back returned to somewhere near his best when outclassing the Vintner and Mr Oryx over four miles at Doncaster on March 13. Winning his first race in three seasons there, Peter Bailey's chaser defeated the runner-up by 12 lengths.

A reproduction of that form will see him narrowly coping with Flying Romany, who, on a line through Mr Oryx, has a couple of pounds to find on the book.

Gay George completed a long-priced double initiated by the 14—1 chance, Burns, when lifting last year's Holiday Inn Hurdle and his owner, the Duke of Devonshire, must be more than hopeful of a follow-up.

The Saxon House six-year-old, who has not run since finishing a creditable fourth behind Heighlin, Ekbalco, and Broadsword on ground softer than he likes at Newbury on November 28, is ready to do himself full justice and can take the race for a second time by outpacing Grey Mate.

LIVERPOOL
2.00—Thurston
2.35—Strombolus
3.10—Gay Return
3.45—Gay George***
4.20—Rolls Rambler**
4.50—Hot Tomato*

WINCANTON
2.30—Beacon Light
3.00—Ankus

COMPANY NOTICES

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By Citibank, N.A., Fiscal Agent
April 1, 1982

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By Order of the Board
H. J. McTurk, Secretary
48 Palmerston Place
Edinburgh EH12 5BR
2nd April 1982

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30, Gresham Street, London, EC2P 2EB. 1st April, 1982

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50 Finsbury Square, London, EC2A 1DD.
April 1, 1982.

W. E. REEVE
Deputy Secretary

PUBLIC NOTICES

CITY OF PORTSMOUTH BILLS
£1.1m Bills from 29-3-82 to 28-6-82 at 12 3/64% [illegible]

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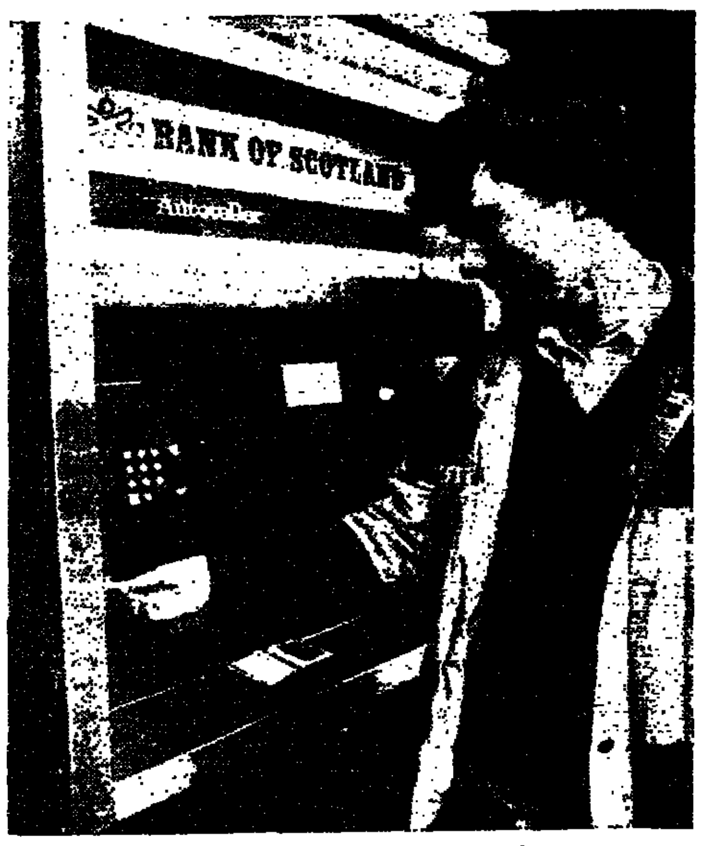
FINANCIAL TIMES SURVEY

Thursday April 1 1982

Scottish Banking and Finance

Banking in Scotland has been growing rapidly and with related services, employs 80,000 people. But in some ways the country is over-banked, creating fierce competition to provide new services



Automated and computer-speeded services are one way that the banks are trying to keep abreast of each other, sometimes involving the transmission of information and transactions in seconds

Aftermath of the takeover bid

By Mark Meredith, Scottish Correspondent

THE PAST year will be remembered as the time Britain was told formally that having a financial community based in Scotland and separate from London was good for its economic health.

What brought this out was the proposed sale to an outside bank of the premier Scottish financial institution, the Royal Bank of Scotland.

The Royal's desire to merge with Standard Chartered Bank and the rival bid for Royal from the Hong Kong and Shanghai Banking Corporation unleased a controversy which exposed the very foundations and values of the industry in its Scottish context.

The sale did not go through. The Monopolies and Mergers Commission, which studied the bids, recommended they be not allowed as it would be against the public interest. The main reason for the decision was the damage that the loss of independence of the Royal would have on Scotland and its financial sector.

(Elsewhere in this survey we take a close look at how the decision affected the Royal.)

The Commission said in its recommendation to the Cabinet: "We foresee a detriment to the public interest in Scotland in the case of either merger arising from the removal of ultimate control from Edinburgh."

In a key passage, the Commission said: "The damage would not be confined to the Royal Bank Group or to the financial sector centred in Edinburgh. Loss of Scottish control of RBS would be seen as a significant step in the long process of centralisation and of weakening local control over local economic affairs. It would reinforce the impression of a "branch economy" and diminish confidence and morale in Scottish business. It would also be reducing the *number of key independent* positions in Edinburgh, weaken the public life and leadership of the city and the country."

Initiative

The effects on career prospects, initiative and business enterprise in Scotland of a merger would be damaging to the public interests of the *United Kingdom as a whole, it* concluded.

Much of the passion in the debate was nationalistic, defending decision-making in Scotland against the relentless pull on industry and commerce to London and the south.

Banking and finance in Scotland is a growth industry. It covers retail, wholesale and merchant banking, investment trusts and venture capital activity, insurance, building *societies* and *related services.*

The industry employs 80,000 people. A study by the Scottish Economic Planning Department, part of the Scottish Office, estimated that employment in this service industry would show a 12 per cent increase between 1979 and 1984.

Half of the increase would be in the banking field according to the 1980 report by Professor Maxwell Gaskin of Aberdeen University. An estimated 37 per cent of the employment in the whole sector was in banking.

As a gauge of their size, in December 1980 the three Scottish clearing banks—the Royal, the Bank of Scotland and the Clydesdale Bank—accounted for £3.5bn of market loans and advances to the private sector in the UK compared with the £26bn contributed by the big London clearing banks the £56.1bn grand total for small banks in the UK combined.

The big national banks also have their offices in Scotland, possibly to head off the aggressive activities there of the 30 or more foreign bank branches *in the field of corporate banking.*

Assessing the impact of the Royal bid it was noted that 80 per cent of the clearing bank deposits in Scotland are held by the two clearing banks with headquarters and direction in Scotland—the Royal and the Bank of Scotland (the Clydesdale is a subsidiary of Midland Bank). Had the Royal been sold, less than half of these deposits would then have remained held by the Bank of Scotland.

While vying for the few leftovers in domestic retail banking, the Royal and Bank of Scotland are expanding their branch network in England to improve *their corporate banking services* and both are thought to be hunting for acquisitions in the U.S.

The investment houses, most of them quartered in Georgian elegance in Edinburgh's Charlotte Square, account, according to one witness before the Monopolies Commission, for investments worth £10bn.

The Royal Bank estimated that some 23 per cent of the investment trusts on the UK and 20 per cent of the unit trusts are managed from Edinburgh.

The decline in the insurance market in Scotland was ammunition to those who wanted to prevent the same thing happening in the banking sector. Most of the large general insurance companies were *taken over by companies based* in the south during the past decade, although nine life insurance companies remain based in Scotland.

Compared with the sizable chunks of *UK* banking and investment business in Scotland, only 14 per cent of the insurance companies' assets are managed in Scotland, according to the findings of the Royal.

Insurance companies which kept their headquarters in Scotland employed about the same proportion of professionally qualified people since the mid-sixties, while companies which had been taken over and were run from headquarters outside Edinburgh showed a 34 per cent drop in their professionally qualified staff.

The presence of the building societies in Scotland—in Edinburgh in particular—adds to the general feeling that Scotland is overbranched.

With local rates at a high level many of these building societies are doubtless there because the competition is too, rather than because of the amount of business coming in.

The Gaskin report on employment in the financial sector concluded, however, that Scotland would see a further expansion of building society activity.

BANK OF SCOTLAND

Set for expansion in England and U.S.

THE HEADQUARTERS of the Bank of Scotland is a grand wedding-cake style of building overlooking central Edinburgh. Viewing such an imposing structure you would never think the bank was sensitive about its size.

But mention that it ranks sixth in terms of UK banking and the bank's senior men will quickly put you to rights by telling you that in terms of the 15,000 banks in the U.S. the Bank of Scotland would rank a creditable 26th.

Growth is nevertheless very much on the minds of the bank's directors as they consider the coming year.

With about 37 per cent of the retail banking sector in Scotland under its belt in a region that is by admission of most bankers overbanked, the Bank of Scotland has tagged two key areas for development—England and North America.

Besides its Threadneedle Street branch in London the Bank of Scotland has set up branches in Bristol and Birmingham and is about to announce opening in another English city. It expects to have five or six branches to the south within a few years.

The thrust of the banking move south of the Border will be largely in corporate banking to give the bank a greater national profile and offer national companies a better banking reach.

It has been clear for some time that the bank is ready, willing and wanting to buy a bank in the U.S.

But bank treasurer and general manager Bruce Patullo is in no hurry to buy. It is understood the bank has looked at a handful of U.S. banks and found them either plagued with management troubles or in need of a large injection of cash or asking too high a price.

Working capital

The bank has been gradually preparing itself for a purchase. It has accumulated an estimated $2bn in working capital inside the U.S., investing its capital base in short-term securities until the right prospect comes along.

The bank has an office in New York licensed to carry out most banking functions except retail domestic activity. There are also representative offices in Houston and Los Angeles.

The bank's activities have tended to be concentrated in blue chip companies and domestic banking sector but plans are now afoot to correct admitted shortcomings in banking facilities for the medium-sized business.

Another key sector is the central banking services, which include operating budget plans for large retail stores like Marks and Spencer and C & A and in-house credit card systems for big companies.

The fate of the bank's larger neighbour, the Royal Bank, has preoccupied Bank of Scotland directors during the past year. The Royal's possible take-over very much affected the Bank of Scotland as a takeover would have left the latter as the only independent bank in Scotland.

It was also likely to have led to a follow-up take-over bid for the bank, which is 35 per cent owned by Barclays.

Although the evidence the bank submitted to the Monopolies and Mergers Commission which investigated the rival bids for the Royal, was never made public the bank made no secret of its desire to remain independent and in Scotland.

M.M.

Cooperation has been growing between the clearing banks and life companies in the house mortgage field

Life assurance business thriving

THE UK LIFE assurance business appears to be thriving, despite the recession. Basic figures for 1981 showed new anual premiums up by 17 per cent and single premiums two-thirds higher than the previous year. A closer look at these figures, however, revealed that some sectors enjoyed boom conditions last year, while others were hit by the recession.

One such thriving sector was unit-linked life assurance, which last year saw regular premiums improve by one third and single premium business jumped by threequarters, thereby influencing the overall good results. The Scottish life companies played an important part in last year's linked-life growth.

For a decade, the Scottish companies ignored the newly developing link-life market and its growing importance in the savings sector. They preferred to stand by the traditional savings contracts marketed by life companies, particularly the with-profits endowment. To the older generation of life managers, the with-profits concept represented security and stability for the saver entrusting his money to the life company.

Now the unit-link concept has become established, with the modern saver prepared to accept the higher risk/reward inherent in unit-linked contracts. The Scottish life companies are now moving into this field and intend to become a major force.

Standard Life launched its comprehensive linked operation towards the end of 1980. Last year saw Scottish Amicable and Scottish Widows come into this field and all three companies receive a tremendous support for their linked products. Early this year, the Life Association of Scotland entered the link field through its acquired subsidiary, Crescent group. The two Scottish life companies still refusing to participate fully in the link field are Scottish Provident and Scottish Life.

But those companies participating in the link field do not intend this development to be made at the expense of their traditional business. The Scottish life companies enjoy an excellent reputation in this field and their names appear among the top places in the with-profits performance tables. They will remain there this year, following the higher bonus declarations made for 1981 by all companies.

One notable development in the life marketing sector has been the growing co-operation between the clearing banks and the life companies in the house mortgage field. Life companies have extensive agency networks throughout the UK through which the banks can channel their mortgage facilities in addition to using their own branch networks.

The Scottish life companies have linked with both the Bank of Scotland and the Royal Bank of Scotland to provide such mortgage finance. This linking has important benefits for both banks. The Scottish life companies get at least 80 per cent of their business from England —where these two banks are not particularly strong. This tie-up now enables these banks to expand their business operations in England.

Concessions

The Scottish life companies are also linking with Scottish and other banks to provide loan facilities connected with personal pension contracts. This has been the other major development in the life market, *where the self-employed* can borrow money if they have a personal pension contract to use for a variety of purposes, including house purchase, financing of business, or for private use. Scottish Provident now offers loan facilities to directors and executives, as well as the self-employed, and has linked up with the Leamington Building Society to provide house mortgage facilities for the self-employed.

Indeed, self-employed pension sales last year achieved record levels, following the substantial tax concessions made by the Chancellor in his 1980 budget. Scottish life companies have been strong in this field and some reported sales up by as much as 50 per cent last year.

In contrast, company pensions business was one sector hit by the recession, both from massive redundancies and lower earnings increases to those employees still working. This was of particular concern to Scottish life companies, which are very much involved in company pensions business. It is interesting, *however, to* note that Standard Life, the third largest pensions company *in the* UK, reported several new pension clients last year, both for its managed funds and for its insured schemes.

The non-life insurance market is going through a tough time at present, with both major insurance countries reporting adverse results. General Accident, Scotland's only major insurance composite, felt the effects along with the rest in its 1981 trading. Underwriting *losses doubled last* year, with severe results from the U.S., Canada and Australia. But pre-tax profits rose by 15 per cent to pass the £100m mark for the first time because of a strong increase in investment income.

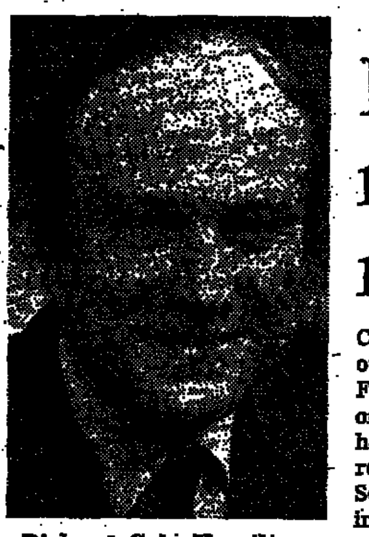
General Accident, as the UK's largest motor insurer, has set the trend in motor insurance rates for many years. Last year was no exception because the company kept its rates unchanged despite continued double-figure inflation. Indeed, it has not increased its motor insurance premiums since the last revision made in August 1980. And there are no signs yet *of any increases this year.*

The UK insurance market is not expanding because of the recession, *but it still offers* prospects of good returns. Companies have been competing keenly *for business*, particularly private motor business, and General Accident has been very much to the fore in this competition by keeping its rates unchanged. The other motor insurers have been watching General Accident very closely and have kept their rates unchanged in line with the GA's lead.

Eric Short

RICHARD COLE-HAMILTON

Best of both worlds



Richard Cole Hamilton: working relationship

MR Richard Cole-Hamilton is not worried that his bank, the Glasgow-based Clydesdale, is a subsidiary of the Midland Bank.

At one point, during last summer's public debate on the possible outside takeover of the Royal Bank of Scotland, the non-Scottish ownership of one of Scotland's banks came in for a lot of criticism.

In the course of this debate, the Clydesdale was unkindly dubbed a "neutered cat," unable to pursue a truly *independent line of banking.*

Mr Cole-Hamilton feels that this is unfair. He is deputy chief general manager of the bank and in July takes over from Mr Alexander Macmillan as chief executive.

He feels that over 60 years as a subsidiary of the Midland has allowed the Clydesdale to establish its own identity, and develop a practical working relationship with the parent company. To him, this means that the Scottish bank can offer the best of both worlds.

In its international dealings, for example, Clydesdale can use its own dealing rooms or call on the greater resources of the Midland.

Unnecessary

The Clydesdale does not yearn for foreign acquisitions. Its management feels they are unnecessary, since the Midland has the California-based Crocker National Bank.

Nor do Clydesdale's executives long to take over a merchant bank; they claim to offer most of the services required by the business sector in-house.

The Clydesdale is content to concentrate on what it does best—cultivate its 23 per cent share of the retail banking sector in Scotland.

This figure has grown by about 3 per cent over the past 10 years, according to bank officials. Every percentage point gained has been a hard-won fight, in a part of Britain that is, by everyone's admission, over-banked.

The Clydesdale is strong on customer relations, paying attention to personal accounts that might blossom into business accounts.

As a short-term money institution, the Clydesdale sees itself as the link between the entrepreneur looking for long-term capital and the other investment trusts and finance houses specialising in risks.

The Scottish banks have developed computerised banking much more extensively than their English counterparts. The Clydesdale stole a march on the opposition recently with the experimental introduction of point-of-sale banking.

Two BP petrol stations in the Aberdeen area now offer drivers the possibility of paying simply with their banking card. The card is passed through a terminal in the petrol station, and when the customer punches his personal number out on the terminal keyboard, the account is automatically debited, and *the amount credited to BP.*

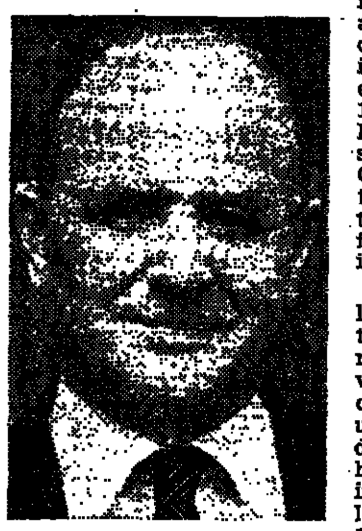
Some additional programming work has also made the Clydesdale system available to Midland customers. The banks' two computers have been mated so that, within four seconds of a Midland customer punching out his code in Scotland, the amount is debited to his account in the south.

One of the services offered by the Clydesdale to the farming community is a week-long sponsored course in farm financing.

M.M.

CHARLES WINTER

Image in need of repair



Charles Winter: moving south

CHARLES WINTER, who took over from John Burke last February as managing director of the Royal Bank of Scotland, has the unenviable task of restoring the credibility of Scotland's premier bank and increasing its profitability.

The Royal Bank group came in for a lot of criticism, especially in Scotland, following the news that it wanted to merge with Standard Chartered Bank. One of the first priorities of Mr Winter, a 48-year-old Dundonian, is to repair the damage.

"We had a lot of perfectly reasonable comment," says Mr Winter, but near the end the criticism began to "spill over to the branch managers and other professionals." He is anxious to restore the bank's image as a well managed institution which is pursuing a sensible long-term strategy.

Enthusiastic

It is in the area of new technology that he is most enthusiastic about the bank's prospects. At the moment the bank's 600-odd branches are on-line to computers for the provision of branch accounting information, but Mr Winter believes there is considerable scope for expanding the system to provide much better information on customers to managers.

He admires Clydesdale Bank's *experiment in electronic point-of-sale* transactions at BP petrol stations in Aberdeen, but says that in most areas the Royal Bank is ahead of the competion in introducing technology.

In the field of systems technology Mr Winter admits that the Royal Bank and its English sister, Williams and Glyn's, have moved steadily apart over the years and this needs to be reversed. He says the first signs *of this will become evident* over the next few months when the two banks' cash dispenser networks become compatible and *customers* of the Royal Bank will be able to use their plastic cards at branches of Williams and Glyn's.

The next sign of change at the Royal Bank is the more aggressive stance it is adopting towards opening branches in England. "We are breaking down Hadrian's Wall and moving south," says Mr Winter. He expects to open several new branches over the next couple of years.

To provide merchant banking capable of matching Bank of Scotland's British Linen Bank is another area where Mr Winter is anxious to see change. The Royal Bank's initial merchant banking venture, National Commercial and Glyns never worked *and the Royal Bank is seriously* looking at ways to remedy its weaknesses in this area. Indeed some rival bankers in Edinburgh have suggested that the bank might be interested in buying Noble Grossart, the small but successful Edinburgh merchant bank.

Mr Winter has spent his working life at the Royal Bank and his choice as managing director of the bank is by all accounts a popular one with the staff.

Along with his two deputies, Mr John Kirkland and Mr Jim Shaw, the Royal Bank's new senior management team is likely to provide stiff competition for the rest of the Scottish clearers. The Bank of Scotland, *for one, will no longer* be allowed to claim the mantle of market leader.

WILLIAM HALL

This important sector is now handling portfolio assets totalling about £3bn

Trusts: emphasis on specialisation

SCOTLAND HAS traditionally provided the counterweight to London in professional portfolio management and a number of its large investment trusts have been in existence for a century or more. These days the really big money is handled by the life assurance companies but the investment trusts remain an important sector, handling portfolio assets which total around £3bn.

Concentrated in Edinburgh and Glasgow—but also to be found in places like Dundee and Aberdeen—they are usually independent or part of groups run by small fund management houses which grew up originally from firms of accountants or lawyers.

Like the English trusts the Scottish have had their share of the recent troubles of the sector. Trusts standing in the stock market at a *bid discount* on their assets have been vulnerable to takeover by the burgeoning *pension* funds and a couple of years ago, for instance ,the British Investment Trust, *managed* in Edinburgh, was snapped up by the Coal Board pension schemes.

Scotland's fund managers have not stood idly by, however. Several new trusts have been launched recently, such as Ivory and Sime's Independent Investment Trust and Baillie Gifford's Japan Trust. The Scottish investment houses have themselves been moving, with a certain amount of success, into the business of managing pension funds. Recently an entirely new house, Hodgson Martin, started up in Edinburgh.

For the Scottish investment trusts the past few years have brought substantial changes of approach. The pattern of broad middle - of - the - road funds designed as low-risk vehicles for small private investors has become largely outdated.

Much more emphasis is placed nowadays on specialisation or on more entrepreneurial policies of investment in unquoted ventures. Some would say this is *not so much* a new development but a return to the investment trust movement's origins in the 19th century when they were active in financing overseas railway and mining projects. The modern equivalent has been the Scottish trusts' participation in offshore North Sea oil and gas developments.

Perspective

As fund management centres the Scottish cities have a number of advantages over London. *They are smaller and* often more congenial, recruitment is easier and distance from *the main* industrial and financial centres can give an improved sense of perspective (without, thanks to modern technology, any great disadvantages of communication). On the other hand, cities like Edinburgh can become somewhat inbred.

Historically the chief distinguishing characteristic of Scottish investment trusts was their overseas spread. After the war they often had *especially* large investments in the U.S., a feature that was locked in by exchange controls.

More recently a heavy emphasis on the generally lacklustre U.S. equity market has not helped overall performance, though the U.S. market has offered more opportunities than might be suspected from the level of the Dow Jones Industrial Average.

Since the ending of exchange controls the Scottish investment *trusts have had no special* advantages in overseas exposure, although they sometimes claim they are better able to take a long-term view of countries and sectors.

Perhaps the key recent trend affecting the behaviour of the investment trust houses has been the passing of more and more shares from private investors into the hands of institutional investors—notably pension funds—which have quite different requirements.

There is thus a need to redefine objectives. A house like Baillie Gifford holds regular discussions with big shareholders owning stakes of, say, 2 per cent or more of a trust and the message is that such investors require the emphasis to be placed on the kinds of investment they cannot easily tackle themselves.

Hence the orientation of many trusts towards specialised *areas, whether geographical* like the Far East or qualitative like smaller companies or high *technology.* Sometimes general trusts have been re-orientated, a decision which can involve a sudden sharp drop in dividends and requires the consent of shareholders.

At the same time some trusts have continued to aim at a more general investment public —as with Scottish American which believes that it is in business to provide a service for private investors. Indeed this trust's number of *individual shareholders* has fallen only very slowly in the past few years.

Whether aiming at private or institutional investors the investment trusts have become very conscious of one thing—the need to communicate successfully with shareholders. A neglected or baffled shareholder can easily become a seller who can further increase the worryingly large discount at which the shares stand in the market.

Some of the big Scottish trusts can be said to be leading the way here, producing attractive annual reports which set out clearly the managers' objectives and performance. Indeed Scottish American's 1980 annual report was chosen by the Society of Investment Analysts as one of the six best UK company reports of the year.

Scottish fund managers accept that their trusts have to provide a service which is *special. This means taking* a view, pursuing it actively and making sure that shareholders know what is going on. It is an approach which goes right back to the origins of the Scottish investment trust movement.

Barry Riley

TECHNOLOGY

EDITED BY ALAN CANE

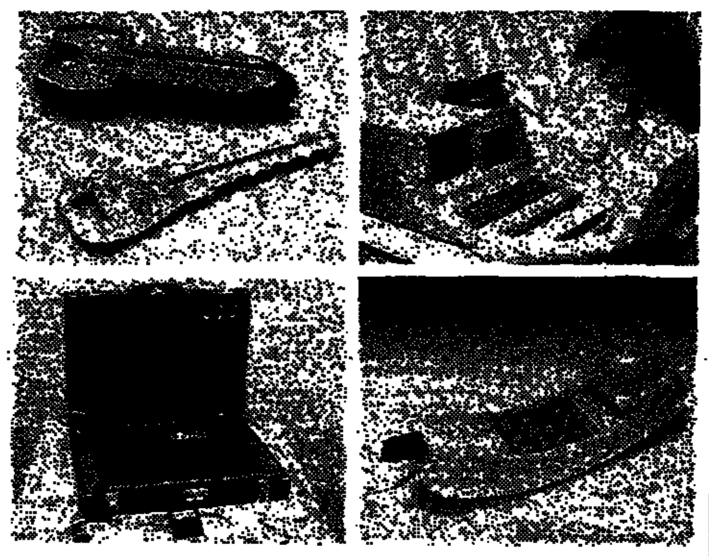
Novel key with a mind of its own

BY GEOFFREY CHARLISH

AS MORE and more employees and members of the public come face-to-face with increasing numbers of electronics-based systems the question arises: who may have access to what, for which specific purpose, for how long and for how much financial debit/credit?

The familiar plastics card is supposed to accommodate most of these situations, ranging from obtaining cash from a bank cash dispenser to assessing confidential computer files and embracing, of course, the credit card.

But according to Mr O. C. Boxall, managing director of Data Card International, cards are not quite what they might be in security terms. It is widely known that the world's credit and payment card companies lose sizeable sums due to fraud. In this country, Access and Barclaycard between them are said to have lost £7m last year from dishonest use.



The Keytroller and some of its varied uses.

DCI says it has the answer to fraud in its new Datakey, a system using a plastics key in which is embedded a re-programmable memory that can be modified during use, but only by the equipment into which it is inserted.

The key itself can be cash-debited for example, or decremented in other ways to suit the application. It can also serve more than one purpose because its memory can be sectionalised electronically. For example, one part might be applied to premises access, another to vending machine use.

This appears to be the second major attempt at the "intelligent token"—the first is still being developed in France and employs a semiconductor chip contained in a plastic card. However, Boxall claims that the non-rigidity of such cards makes them unsatisfactory carriers for chips.

DCI's key, which is about the same size as a front door key and can be kept on a key ring, contains an EAROM (electrically alterable read-only memory) that can hold up to 300 characters.

DCI will be providing the system in OEM form and expects it to be employed in many kinds of equipment. The key has embedded spring contacts; it is inserted into a "Keyceptacle" and turned through 90 deg to establish a metal-to-metal connection. This component is flat-cable connected to a further freely positionable unit, the "Keytroller."

The Keytroller is an intelligent access device and is able to read and act upon the data stored in the key's memory. It measures only 2 x 2 x 0.5 in and optionally can accept a plug-in read-only memory that makes the system even more versatile. For example, the ROM could act as price look-up memory in a vending system.

Clearly, with such a product the potential applications are numerous—overall cost effectiveness will often be the only limitation. DCI is offering a full systems engineering and interface design back-up service to OEM customers, as well as offering them an evaluation kit for about £300. The kit contains three Keytrollers, and five of the keys with Keyceptacles. It can be extended by the addition of a briefcase-mounted keyboard/display unit to provide a complete development system for under £2,000.

Likely retailing applications will be in the repeated purchase area—petrol, vending machines, telephone boxes—and in these applications the key would be "charged" with credit and decremented each time a purchase is made. A display would show the purchase amount and the amount left in the key.

DCI has already made sales in Germany (vending) and in the UK trials are in progress with security companies, petrol companies, with a mainframe computer maker, a weaving loom company (for machine access and control) and with British Telecom (which is currently looking at systems that avoid the use of cash in phone boxes).

According to the company, fraud is extremely difficult with Datakey, mainly because of the way in which the data is recorded and dealt with in the key memory—it is in fact distributed so that specific data is not kept in specific physical locations. Data Card International is at Chichester, Sussex, on 0243 779704.

Rapier-like thrust in design aid

RACAL-REDAC of Tewkesbury says that users of its new Rapier computer-aided design system can have the best of both worlds: the high cost-efficiency of a multi-station system and the speed and performance of stand-alone design systems.

To bring this about, Racal has adopted an advanced distributed processing approach using microprocessors. Each work station has enough built-in power to handle the all-important interactive design tasks while the host computer deals with all post-design processing and general chores. Thus the design stations are relieved of all non-design activity, maximising productivity.

Each of the stations is centred around a high resolution colour graphics terminal with keyboard and table/stylus input. Initial basic data input to the system is by separate terminals, further freeing the design stations for true design work only.

Powerful automatic routines provide for fully automatic component placement, track routing and checking. Typically each design station can be used to produce over 70 board designs a year, complete with associated schematics and documentation.

Microfiche viewer for servicemen

BELL & HOWELL has introduced a new hand-held, portable microfiche reader with a screen 5¼ in square, and costing £98.

It is suitable for viewing microfiche at 20, 24, 32, 42, 48 or 72 times magnification and is intended especially for service engineers and the like who might have to refer to equipment specifications in the field.

Other suggested uses are: salesmen checking customer briefs before making calls or businessmen working at home.

The new device, the ABR 55, is 27.3 cm long, 11.4 cm wide and 7.6 cm high. It weighs just over a kilogram and can be powered from a built-in rechargeable battery pack, from the mains or from a car cigarette lighter. More on 07842 51234.

Navy automates its marine war rooms

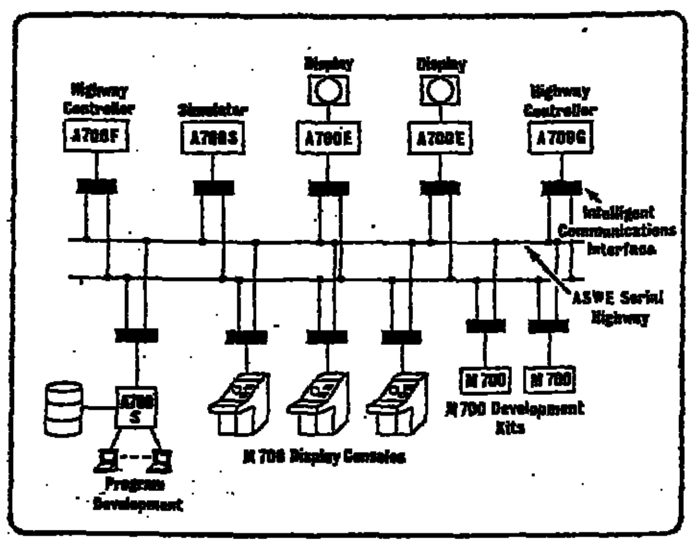
BY DAVID FISHLOCK, SCIENCE EDITOR

HOW CAN the Navy use sailors more efficiently? This has become a top-priority question at the Admiralty Surface Weapons Establishment on Portsdown Hill overlooking Portsmouth.

The new Type 23 frigate — the only new surface vessel being developed for the Navy — will have far fewer men per ton of ship to find and fight submarines. As a result, it will be a less expensive "hotel" to build and run, says Mr Ken Slater, ASWE's director. "And any equipment that replaces men is almost worth its weight in gold."

Last summer, ASWE demonstrated to the Navy that one area where the efficiency of seamanship can be improved "significantly" is right at the heart of the warship, in the operations rooms where the battle is waged. ASWE put teams aboard seven ships simultaneously in naval exercises. At first, the Navy saw them as men with stop-watches on time-and-motion study.

But the ASWE scientists showed the sailors that they were not using their complex assemblies of weapons, trackers, sensors and data links the way the designers had intended. Sometimes good seamanship was improving on design performance. Often, however, it was falling far short.



Computer-assisted command system (CACS) is being demonstrated in a research programme called DIAS (distributed information architecture for ships) at Portsdown. The sketch shows how the ASWE serial highway unites computers, weapons and sensors, for DIAS.

Weapons

Even the Americans do not do this, one senior scientist says. They only measure what gets into their computers — not what the computers missed. The Navy was impressed enough to invite ASWE's scientists back this summer.

At the same time, two new shore-based facilities for studying man-computer relations are taking shape at Portsdown. They are the only major facilities for ASWE to survive last year's review of defence expenditure. As Mr Slater sees it, they lie at the heart of the future role for ASWE, which will be to integrate weapons and sensors developed in industry into efficient fighting systems.

ASWE calls the technology command and control. It is the "glue" that sticks all the black boxes together, says Mr Ken Hambleton, a deputy director who heads the command systems division. Past practice has been to put a big effort into the individual weapons and sensors and a much smaller effort into integrating them through what the Navy calls action information systems. Mr Hambleton has no doubt that, if the Navy wants to improve the performance of its fighting ships, it must "spend on the glue."

The first of ASWE's new research facilities to come into service, this year, is called the integrated stress test rig. It builds upon an existing Action Data Automation (ADA) system already on-site. ADA is the system for integrating weapons used by the Navy for the past two decades. In the words of one ASWE scientist, "it is a classic example of a central computer from which everything hangs like a spider's web."

The problem is that the central computer tends to be overloaded by the demands of war in the 1980s. ASWE believes it knows how to "syphon off" some of the load, such as data links, with the new technology called computer-assisted command systems (CACS).

CACS was originally envisaged by ASWE as a technology for warships of the future, where the designers would start with a "green-field site." Unfortunately, no brand new British surface ships are planned beyond the "economy-class" Type 23. Moreover, even ideas of gutting a vessel for a major refit have been abandoned since estimates suggested that such refits could take three years or more and cost nearly as much as the ship cost to build.

CACS uses twin Ferranti FM 1600E computers to handle most of the data processing, and intelligent displays using M700/20 processors to interact with the sailors. Display consoles and computers are joined through the ASWE serial highway (Defence Standard 00-19), a robust communications bus designed to run throughout a vessel up to 300 metres in length, linking all the black boxes.

Working with Software Sciences of Frimley, ASWE has already demonstrated the advantages of CACS to the Navy (see accompanying illustrations). The first operational version, CACS 1, is scheduled to go to sea in 1986, in the latest batch of Type 22 frigates, where it will integrate about a dozen inputs. A more advanced version, CACS 4, is being developed for the Type 23s.

But ASWE believes that CACS can be added to ADA in existing vessels, such as the Type 42s, to enhance greatly fighting performance with necessitating a major refit. A three-month crash study done with Ferranti leaves ASWE scientists "very encouraged." Much of the technology could be introduced piecemeal, whenever the ship is in dock, they believe.

The purpose of the integrated stress test rig at Portsdown will be to demonstrate how effectively this can be done. To the existing ADA installation is being added the ASWE serial highway, into which the researchers will be able to plug any combination of weapons, sensors and trackers. Then, with a powerful scenario generator they will be able to explore the command and control system under battle conditions far more stressful than they can normally hope to simulate at Portsdown.

Command

Next year, ASWE expects to commission its new £6m command systems laboratory. Its purpose is to examine in detail the roles of sailors in the operations room. To quote one scientist, they now spend much of their time rushing around with messages in cleft sticks.

Plessey is the prime contractor for a £5m computer installation for the study of man-machine interactions in situations where split-second decisions are needed. Nothing like this laboratory exists in Britain at present, even for air defence. A team of 10 scientists expects to be able to simulate situations which previously took a decade to set up at sea. "We're certainly not trying to replace men," Ken Hambleton says. "We're trying to help the captain do his job better."

Transport for cards

EMIDATA SYSTEMS can now offer a small, inexpensive motorised card transport system which is able to read the "Watermark" high security encoding devised by the company as well as conventional magnetic encoding.

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This senior position is with a highly successful export orientated *engineering company, providing an excellent opportunity for a young* (around 30), ambitious, Chartered Accountant, to fully realize their potential in a demanding environment. Reporting to the Financial Director and working closely with Management Services, in which they must have a keen interest, the responsibilities will be wide and varied, including Corporate Planning. Candidates must have medium/large firm professional experience, as well as at least 3 years' industrial experience including manufacturing, ideally gained in an engineering environment. They must be good technically, hardworking, and possess a strong, likeable personality. Re-location assistance will be generous.

J.R. Featherstone, F.C.A. Ref: 12236/FT. Male or female candidates should telephone in confidence for a Personal History Form 0532-448661, *Minerva House, East Parade,* LEEDS, *LS1 5RX.*

Financial Director

Based in Lancashire, this position is with a major part of a public company engaged in the manufacture and sale of consumer goods.

Reporting to the Managing Director the appointee will have responsibility for all financial aspects of the operations. The support team is appropriate for a medium sized company.

Candidates, must be Chartered Accountants, have experience in directing the function in a similar organisation and be capable of making a positive contribution to profitable growth. Salary c. £16,000 + car. Reference: 8171.

Commercial Manager

Our Client is based in West London with a *business engaged in the sale of consumer* products and the provision of services to retail outlets. Their markets are in the U.K., Africa and the Middle East and they have indentified strong potential business in Europe.

They now seek a Commercial Manager who will report to the Chief Executive, with responsibility for financial strategy, commercial, legal and secretarial aspects of the business.

Candidates, who may be male or female should have an accounting, secretarial or legal qualification backed up by sound commercial experience. The salary is well into five figures and there is a car. Prospects for progression are excellent. Reference: 8170.

Candidates should apply in writing to Peter Barnett, F.I.P.M., M.I.M.C., quoting the appropriate reference, to Barnett Keel Personnel Consultancy Services Limited, Providence House, River Street, Windsor, Berks. SL4 1QT. Tel: Windsor 56723.

Barnett Keel
MANAGEMENT SEARCH

Property Development

CHIEF ACCOUNTANT

City of London **to £18,000**

We are looking for a Chartered Accountant with a sound knowledge of accounting procedures in property development and investment.

Ideally aged between 35-45 years, capable of organising and controlling an office with a staff of twenty and a working knowledge of computers essential. Ability to communicate at all levels very important.

Attractive terms and conditions and good prospects for advancement.

For further details please contact:
Robin Ludlow, LUDLOW ASSOCIATES, 66 Great Cumberland Place, W1H 8BP. Telephone: 01-402 3233.

FINANCIAL DIRECTOR (DESIGNATE)

We are seeking a Financial Controller to join the management team of an expanding European group of trading and distribution companies.

The successful candidate will be a qualified Chartered Accountant and, although based in the UK, there must be a willingness to travel.

As part of the management team a flair for the commercial aspects of the group is essential.

A second language would be an advantage but, above all, an outgoing personality based on sound commonsense.

Interested applicants should write with brief background information for an application form to: Ronald M. Collins, Kidsons, Royal Exchange, Manchester M2 7FB.

ACCOUNTANCY APPOINTMENTS
RATE £29.00
per single column centimetre

Financial Director

A sound, qualified Financial Director is required for a South West Surrey Building and Property Development Company. Contracting experience is essential. Age 30-50+. Prospects are good for a person with energy and enthusiasm. Send your C.V. to Box A.7817, *Financial Times, 10 Cannon* Street, EC4P 4BY.

Accountancy Appointments

Financial Director

Northern Ireland
c£23,000
plus car & benefits

The Company, engaged in manufacturing and supplying highly regarded engineering products worldwide, is one of Northern Ireland's larger employers and a market leader in its field.

As part of its development plans the Company wishes to recruit an experienced qualified Accountant to head the finance function and make a significant contribution to the *success* and *strengthening* of the business. The Financial Director will have full responsibility for all financial management, control systems and financial planning.

The successful candidate will have had considerable experience, ideally in engineering, of all aspects of financial management and accounting, including the development of computerised systems. He or she will be able to demonstrate a career to date with substantial achievements at a senior level. Personal qualities must include a determined but agreeable personality, together with a high degree of commercial awareness and judgement. The preferred age range is 35–45.

Applications, which will be treated in confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Alan Crompton, quoting reference 1060/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Financial Management

English & American Insurance Company
E.C.3

As a result of continuing expansion our clients, the English & American Insurance Company, are looking for two executives to provide top management with assistance on a range of non-routine financial and management matters. These will include feasibility studies, the monitoring of overseas investments and various special projects. Some overseas travel is likely.

Candidates for these positions should possess either a professional qualification (e.g. A.C.A. or A.C.I.S.) and/or have degrees in Economics or Business Studies. Previous experience of the insurance world is less important than a sound understanding of financial principles.

Successful performance will lead to line management opportunities. For further information, in the strictest mutual confidence, please contact Mr. D. R. Whately. His private telephone number is 01-623 9227. The reference is 539.

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Executive Selection
6 Martin Lane, London EC4R 0DL

WPL

A move from the profession into corporate finance with a leading financial institution . . .

INVESTIGATIONS ACCOUNTANT

City — **c.£15,000 p.a.+benefits**

Our client is a substantial British financial institution offering a broad range of services within banking and finance. An important unit within its operations, engaged in lending to small and medium-sized businesses, now seeks to appoint an accountant to a key investigative role.

The successful candidate will exercise considerable business judgement as well as accounting skills through investigation, analysis of commercial viability and the provision of substantive recommendations upon which lending decisions can be made. As such, the appointment represents an excellent entree into a corporate finance career.

Applications are invited from qualified Chartered Accountants, *aged in their late 20's to early 30's currently at* Assistant Manager or Manager level within a large public practice. In addition to accounting, audit and investigations experience, candidates must possess a well-developed business sense and a strong personal presence.

Written applications containing relevant career details should be forwarded, in confidence, to Anthony J. Forsyth, B.Sc., at our London address, quoting reference number 3600.

410 Strand FREEPOST London WC2R 0BR.
Tel: 01-836 9501
26 West Nile Street FREEPOST Glasgow G1 2BR.
Tel: 041-226 3101.
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744.

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DLA

ACCOUNTANT REQUIRED

FOR NEWLY-FORMED FINANCE COMPANY IN LONDON W.1

Applicant must have adequate professional qualification and wide experience of commercial banking in Africa and the Middle East including all aspects of the finance of international trade, including documentary credits. Fluent English and Arabic essential. French advantageous. Salary negotiable according to age and experience.

Write Box A7811, Financial Times
10 Cannon Street, EC4P 4BY

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An important position — scope to become a line manager either in the U.K. or overseas in 2-3 years

CJRA

MANAGEMENT/FINANCIAL ACCOUNTANT

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MAJOR FIRM OF INSURANCE BROKERS

We invite applications from Accountants (A.C.A., A.C.C.A., or A.C.M.A.), aged 25-28, male/female, who have acquired not less than 1 year's post-qualification experience in commerce or industry and are fully conversant with the production of management and financial accounts. Reporting will be to the Finance Director. Responsibilities will cover the production, through a small team, of meaningful monthly management and financial accounts to tight deadlines, budgeting, forecasting and the production of financial operating plans. The ability to set commercial priorities and to play a significant role in the further computerisation is important. Initial salary negotiable, £11,500-£14,500 + car, contributory pension, free life assurance, assistance with removal expenses if necessary. Applications in strict confidence under reference MFA14045/F.T. will be forwarded unopened to our client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED
35 NEW BROAD STREET, LONDON EC2M 1NH

* Unless you are applying for the above position, please do not write to us.

Radio Finance Officer

The Independent Broadcasting Authority (IBA) is responsible for the selection and appointment of Independent Local Radio (ILR) and Independent Television (ITV) companies. The IBA also supervises the programming, controls the advertising and installs and maintains all the transmitters. The expansion of ILR from the present 34 stations calls for the appointment of a Radio Finance Officer.

The post holder will report to the Head of Radio Finance in the Authority's Radio Division, based in Knightsbridge, central London. In assessing the financial performance of radio companies, the duties will include: collation and interpretation of accounts, preparation of summaries and ad hoc financial exercises. Other duties include analysis of the financial aspects of *applications for ILR franchises; drafting material for briefing senior staff;* correspondence with ILR company staff.

The Authority wishes to appoint a young person who can demonstrate an ability to write clearly and concisely. He or she must be able to work accurately and quickly while under pressure. The applicant should be suitably qualified with a professional accounting qualification, or a relevant degree.

IBA INDEPENDENT BROADCASTING AUTHORITY

For details and an application form, please write or telephone
The Personnel Officer, IBA, 70 Brompton Road, London SW3 1EY.
Telephone No. 01-584 7011 ext. 390.
Closing date: 26th April, 1982.

OVERSEAS ACCOUNTANCY VACANCIES ALSO APPEAR UNDER THE INTERNATIONAL APPOINTMENTS HEADING

MANAGEMENT ACCOUNTING MANAGER

Slough — **c. £11,000 + car**

GRAVINER LIMITED, a member of the Wilkinson Sword Group, is a world leader in the manufacture of Fire Protection Systems with applications in the Aerospace, Vehicle, Marine and Industrial markets, and has a turnover of £13 millions.

The Company seeks a qualified A.C.M.A. to head up the Management Accounting function.

Candidates, male or female, should have a minimum of 5 years' standard costing experience gained with a large light engineering/electronics or similar manufacturing organisation. Their experience should reflect managerial ability and it would be an advantage if it also included cost estimating.

The benefits package includes a two litre Company car, contributory pension scheme with generous life assurance, BUPA family cover, and relocation assistance if necessary.

To apply please write giving brief details of qualifications and career to date, or telephone for an application form to: David Garrod, Personnel Director, Safety and Protection Division, Wilkinson Sword Group Limited, Poyle Road, COLNBROOK, near Slough, Berks. SL3 0HB. Telephone: (0285) 6436.

WILKINSON SWORD

INTERNAL AUDITOR

The Chevron Group of Companies are engaged in Europe in all major segments of the oil industry including the exploration for, and production of crude oil, and the refining and marketing of a complete line of petroleum products.

We need a qualified accountant, or experienced auditor, to join the UK staff of our expanding European Internal Audit Team. Our company recognises the importance of a strong internal audit function and provides the prospect of a challenging career in auditing with the additional opportunity for movement into line management.

The post will be based in London with some UK travel involved and possible audits overseas. The successful candidate will require the ability to deal with top management and a large degree of independence.

We offer very competitive remuneration including an attractive benefit package.

Chevron

Interested applicants should write with curriculum vitae to:

Mrs. Lynn Pendlebury,
Chevron Oil Europe Inc.,
Southside, 105 Victoria Street,
London SW1E 6QU

AR ACCOUNTANCY RECRUITMENT.
Temporary/Permanent Staff Placements.

FINANCIAL ACCOUNTANT

c £12,000 + car

Our client, an established manufacturing company located SW of London wishes to appoint a qualified accountant aged 27 to 30, with good post qualification experience preferably gained in manufacturing industry.

The successful candidate will report to the Financial Controller.

This key position holds responsibility for all financial controls, production of management accounts and financial reports to a strict timetable.

This position offers, considerable opportunity and scope to someone of real ability. Ref. AT/301.

For further details write or phone to:

Accountancy Recruitment
Kent House, 87 Regent St., London, WIR 7HF
Tel: 01-437 1844

FINANCIAL CONTROLLER

ACA or FCA with LEASING EXPERIENCE

c £18,000 plus

A rapidly-expanding international leasing company requires a highly competent Chartered Accountant with leasing experience to:—

- Supervise accounting including preparation of monthly accounts.
- Construct lease quotations.
- Prepare credit proposals.

Experience with a U.S. company desirable.
All communications will be treated in strictest confidence.

Please contact: William Channing
William Channing & Associates
21 Cleveland Place
St. James's
London SW1Y 6RL
01-930 8789

FINANCIAL ACCOUNTANT

WIDNES — **CHESHIRE**

The Ward Blenkinsop Group manufactures Fine Chemicals, Agrochemicals and Rodenticides, which are sold in both Home and Export Markets. Turnover amounts to £18m per annum.

We require a qualified accountant, aged 30-40, who will be responsible for financial and cash accounting and the provision of management information. He/She will be involved in the development of computerised management information systems. He/She will report to the Financial Director.

Salary and other conditions of employment will be in keeping with the responsibilities of the job.

Interested applicants should apply with curriculum vitae to:—

Employee Services Manager,
Ward Blenkinsop & Co. Ltd.,
Halebank Factory,
Lower Road,
Widnes, Cheshire.
WA8 8NS

WARD BLENKINSOP

Financial Futures

We wish to make a senior appointment to our newly formed company specialising in broking in the London International Financial Futures Market.

The successful candidate will be dealing with clients and advising them on all aspects of the market. He/she will currently be employed in a broking capacity and be familiar with client liaison. A knowledge of the money and gilt edged markets would be an advantage.

A competitive salary is offered including a non-contributory pension scheme, life assurance and other fringe benefits.

Applications giving full career details will be treated in strict confidence and should be sent to:—

J. A. Pound Esq.,
Cater Allen Futures Limited,
1 King William Street,
London, EC4N 7AU.

A member of the Cater Allen Group

CA 1816

Our interesting overseas assignments currently include:

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for major international professional firm. Preferably single, or married without children. ACA or ACCA. J$35-60,000 plus bonuses, cars, etc. (Ref. 49627).

GROUP FINANCIAL CONTROLLER
for a growing insurance organisation, duties to include corporate planning and all aspects of accounts. ACA preferred, possibly with an economics degree. Age c.35. J$60-75,000 (Ref. 49628).

Phone 01-481 8111 immediately for further details

IPS GROUP
BANKING & ACCOUNTANCY PERSONNEL SELECTION

Commercially orientated? Possessing initiative? Interested in servicing a progressive and expanding international organisation with turnover approaching $20m a year?

ASSISTANT ACCOUNTANT

ACA or ACCA, 28-35 preferably, salary c. £13,000. Successful candidate must be prepared to travel and spend certain periods overseas.
Write in confidence with full c.v. to:

Recruitment Manager
Overseas Technical Service (Harrow) Ltd.
31/33 College Road
Harrow, Middx. HA1 1BA
Ref: FT/1/4/82

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JOBS COLUMN

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BY MICHAEL DIXON

IN MANY factories in Scotland [illegible] putting in [illegible] machines of about this time last year that a certain machine-hire company had virtually no plant left to hire. Or so I was assured by the company's personnel manager the other day at the conference of the Scottish Institute of Personnel Management.

A seven-ton mobile crane was all that remained in hand. And even that was there only because all the company's crane-operators were out on other jobs.

Walking through the sales office, the deputy managing director heard one of his staff telling someone at the other end of the telephone that the company did have a suitable crane, but there was no one to operate it. "Tell them it's O.K.," the deputy chief hissed. "I'll go along and operate it." Which he did.

About a week later the same staff-member received another call from the same customer to the effect that the machine the crane had previously lifted out was now ready to be replaced. "So we'd like the crane again," the caller added. "But we don't want it unless you can send a different operator."

Eagerly the sales clerk asked what had been wrong with the man who went last time.

"H's idle," came the reply. "He obviously never thought of getting down and lending our people a hand with the manual jobs. For most of the time, when he wasn't actually working the crane, all he did was sit in his cab with his feet up, reading the Financial Times."

Persuasion

IN THE PAST two years 7,493 people were made redundant in St. Helens where employment has long depended largely on process industries—other chemicals as well as glass—which to stay competitive must reduce their need of human workers. But over the same period registered unemployment there rose from 5,547 to 10,971, or by only 5,424.

The fact that this increase is some 2,000 lower than the number of redundancies is crucial to Bill Humphrey. For it suggests that a good many, although far from enough, new jobs have been created in the district. And his instructions to his own job as director of the Community of St Helens Trust stipulates: "At the end of the day there must be more employment in St Helens than otherwise would be the case."

The "otherwise" means in the hypothetical absence of the trust whose aim is to help small businesses to start and existing ones to expand by plugging them into the appropriate resources of advice, money and so on available from the trust's supporters. These include banks and other major companies in the area, its local authorities and, more remotely, central Government.

Mr Humphrey is to retire about 12 months hence after completing five years in the director's job. So the trust, whose chairman is Antony Pilkington, has come to the Jobs Column in search of the next director.

Other full-time employees consist of only a manager seconded from Pilkington's and two specialists on banking seconded respectively by National Westminster and the Midland. Apart from a small fund from which to lend sums of seed capital of at most a few thousands apiece, the trust has no money of its own.

So the director has no power or authority, and precious little guaranteed help. Almost everything has to be achieved by persuasion.

Would-be entrepreneurs must be persuaded to disclose enough about their plans to allow these to be understood and assessed so that the help needed by the promising can be determined. The trust's supporters must be persuaded to supply the help that is needed rather than merely convenient to give. The entrepreneurs then must be persuaded to accept it. The trust's governors must be persuaded to approve policies which further its aim.

"Yes, you need the tact of a diplomat as well as the managerial skills of a chief executive and the breadth of industrial and commercial knowledge of a consultant," says Bill Humphrey. "But there can be few things more worthwhile doing at present."

What kind of experience does he think would best qualify someone to do the job?

"Making a success as a chief executive working overseas," he replies instantly. "You have to stand on your own feet more when you're away from company headquarters. And provided they've been involved with a variety of business operations including smallish ones, people who've run overseas organisations well can hardly lack the necessary diplomacy.

"Besides that, you need dedication to this sort of work and a willingness to take your lead from other people's ideas instead of seeking to impose your own."

He added that up to early February, out of 1,112 clients who had come to the trust with ideas for their own businesses, 118 had started a new concern and 100 had expanded their existing operation. Five more had started a part-time business, and there were a further 90 possible new starts.

Another 173 people had come seeking only a single session of consultancy, some of whom have almost certainly either begun or extended a business since.

The salary is still under discussion, but my estimate is that the trust will need to pay at least £15,000 and more probably towards £20,000.

Inquiries to Mr Humphrey at PO Box 36, St Helens, Merseyside; telephone 0744 692570.

Go between

ROBERT CLARKE set up Inter Company Acquisitions and Investments about two years ago. Before then, acting as a broker between sellers and buyers of business operations had been but one of various things he did. But after forming the company, he concentrated on establishing it.

"In the 1960s," he explains, "the main market for this type of dealing was in selling private businesses to big groups which had a yen to be conglomerates with a whole miscellany of different activities. Now the trend is towards concentrating on just one range of activities that rationally go together. So companies want to sell off the bits which don't fit and to buy extra bits that will fit. It's quite common to find the same group in the market as seller and buyer at the same time."

But Mr Clarke's singlemindedness has not been sustained. Having built up towards 400 regular clients for his own concern, he has become chief of a smallish public company. So he now seeks a director of operations for the acquisitions business.

"These days the clients themselves initiate a good deal of work. But since growth's the object, whoever comes will have to research potential deals and approach the prospective customers as well as pilot the transactions through. The deals, by the way, have so far ranged from £500,000 to £2.5m."

Candidates, he says, need not have any paper qualification provided they know and can talk business expertly. Appropriate experience could have been gained in the corporate planning area with a big group or the corporate finance department of a merchant bank. Specialists in financial public relations could be suitable too, "as long as they don't drink too much."

He has in mind a basic salary of about £12,000 with a bonus on results he would expect to add at least as much again. Other benefits for negotiation. Success could lead to a stake in the company. While it is at present run from Berkshire, he would not mind its being transferred to almost anywhere near London and to the western side.

Inquiries to Mr Clarke at 32 Parsonage Road, Englefield Green, Egham, Surrey; tel Egham 37717.

THE CHARTERED INSURANCE INSTITUTE

SECRETARY-GENERAL

The Secretary-General of the Chartered Insurance Institute will retire on 31 December 1982 and applications are invited for the succession, based in London.

The Chartered Insurance Institute is the central educational and professional body for all engaged or employed in insurance. It comprises eighty-six local institutes in the U.K., with a total membership in excess of 53,000. In addition, there are six institutes in Eire associated with the Chartered Insurance Institute and forty-five overseas institutes affiliated to it.

The Secretary-General has overall responsibility for the professional education of those employed in the insurance industry. The Secretary-General is also concerned with the management of the institute's resources, the implementation of policy and the advancement of the institute's public relations both at home and overseas.

To maintain the standards of the profession, the highest qualities of leadership and administration are required. Applicants must have the ability to communicate effectively with senior management in all types of insurance organisation and with leaders of other professions both in the U.K. and overseas. The ability to motivate a staff of about 120 is an essential requirement.

The successful applicant is likely to be a graduate and an FCII, in the age range 45-55. The salary, commensurate with the responsibilities, is negotiable, and other benefits include a car and a non-contributory pension scheme.

Those interested in the appointment should write, under private and confidential cover, sending a c.v. to Mr. T. Roberts, MA, FCII, President of the Chartered Insurance Institute, c/o General Accident Fire & Life Assurance Corporation Ltd, General Buildings, Perth, Scotland PH1 5TP.

EUROCURRENCY DEALER

required by a leading Merchant Bank to develop an established market. Age 25-30.

Salary negotiable with usual fringe benefits.

Please write with full details to the

Personnel Manager
Box A7821
Financial Times
10 Cannon Street, EC4P 4BY

MEDIUM SIZED INVESTMENT

Management Company is looking for an additional fund manager to take complete responsibility for the management of private clients' stock exchange portfolios. Knowledge of both U.K. and overseas markets is essential.

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Financial Times
10 Cannon Street, EC4P 4BY

MANAGING DIRECTOR

Due to retirement, national fast food operation seeks a Managing Director. Based at our superb offices at Christchurch, the entrepreneur would be capable of implementing a very exciting national development programme in liaison with a small Board of Directors.

Please submit curriculum vitae to Mr. W. H. Tanner, Dolphin House, 2 Wick Lane, Christchurch, Dorset

Pension Fund Administration

Manager

The Pension Administration Division of Shell International Petroleum Company Limited is responsible for the administration of the pension funds of Royal Dutch/Shell companies in the U.K. The funds in question have assets of about £1,300 million in total, in respect of some 27,000 current employees and 24,000 pensioners.

As part of a reorganisation, we are creating a new position on our management team to take responsibility for a range of duties concerned with the administration of the funds, and to undertake assignments for the Head of the Division, on matters of policy.

The ideal candidate, in the age range 30 to 45, is likely to be a Fellow of the Institute of Actuaries with some management experience at a senior level within a large pension fund. A thorough knowledge and understanding of statutory requirements and the ability to communicate effectively at all levels are essential prerequisites.

The salary will be competitive and in addition there is a wide range of Company benefits. Working conditions in Shell are excellent, as are the sports and social facilities that are available. Please write with a full resumé of your career or telephone for an application form to:

Shell International Petroleum Company Limited, Recruitment Division (FT2), PNEL/27, Shell Centre, London SE1 7NA. Telephone: 01-934 2495.

Shell

Pensions Administration

This is a new senior appointment in London with a leading financial services group which specialises in unit-linked life assurance, pensions and unit trusts. Objectives have been set involving significant expansion in the size of the pensions business which currently has approximately £40m under management.

- RESPONSIBILITY is for the management of a department engaged in the administration of pension contracts for individuals, companies and trustees of pension funds. The job offers scope for initiative and creative thought, particularly in connection with a new computer system which is being developed.
- WIDE KNOWLEDGE of pensions work combined with management skills is the essential requirement, with main experience preferably in an insurance company or broker.
- AGE around 40. Salary negotiable around £16,000 plus a car and other benefits.

Write in complete confidence to G.W. Elms as adviser to the group.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET · LONDON W1N 6DJ

Company Secretary

£20,000+

The Greater London Enterprise Board, which is funded by the GLC, represents a vital new initiative in meeting the strategic industrial needs of Greater London. In fulfilling its functions as an *Industrial Development Agency*, GLEB will generate the impetus for physical and economic regeneration through a wide-ranging programme of investment.

The key appointment of Company Secretary is one of considerable influence and importance. In addition to acting as Secretary to the Board, the successful applicant will have specific responsibilities in three major areas: as the Company's Principal Legal Officer with regard to the *acquisition*, management and letting of property, and financing of the Board's enterprises; as Chief Administrator; and as Controller of the Personnel function.

The ability to operate within a complex legal and administrative framework, under close public scrutiny, is therefore prerequisite.

Candidates should be able to demonstrate a successful track record at senior level, possess ACIS and preferably hold a legal qualification.

Letters of application, together with curriculum vitae, should be sent in confidence to Gareth Hadley, Room 334a, The County Hall, London, SE1 7PB.

EUROPEAN OPERATIONS REVIEW

Pharmaceuticals **Maidenhead**

Wyeth Europa Limited is the European co-ordination group of Wyeth International, a major division of American Home Products Corporation. Its operating companies are responsible for the research, development, manufacture and marketing of a wide range of pharmaceutical and nutritional products, with an unbroken record of profitable growth.

An Operations Executive is now sought to join a small team reporting to the Vice-President for Operations and Finance. This executive will review business plans, budgets and performance of operating companies in selected countries as well as analyse expenditure proposals covering all aspects of the business. Close liaison with senior management in operating companies and distributors is necessary.

Applications are invited from commercially orientated managers, business graduates, and accountants who wish to broaden their management contribution in a European market. Candidates, aged 30-40, should show evidence of a sustained achievement, preferably within the pharmaceutical industry. Experience working in Europe and fluency in a major European language, particularly French, would be a distinct advantage. The position will initially be London based, followed by relocation to the Maidenhead area in September 1982.

Please write in confidence with full details of career and salary progression to:

R. A. Johns
Personnel Manager
WYETH EUROPA LIMITED
Remax House
31/32 Alfred Place
London WC1E 7DS

Wyeth

London representative for Australian merchant bank

C&L

We are looking for an individual who has recently retired or is about to retire from a senior position in banking, merchant banking or an accepting house and who is well known in the City, where he/she will represent an Australian merchant bank of very strong parentage.

Interviews will be conducted in London in early April.

Résumés including a daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. B036.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DQ

CREDIT ANALYST

An opportunity exists for an experienced credit analyst to join a progressive and established international consortium bank based in the city. Previous credit analysis experience obtained in a major banking environment is essential. Remuneration is negotiable and there are excellent opportunities for advancement. Please apply giving full details of career to date and personal data to:—

Box A.7824, Financial Times,
10 Cannon Street, London EC4P 4BY.

المؤسسة العربية المصرفية

ARAB BANKING CORPORATION B.S.C.

LONDON BRANCH

We are a recently established operation of a highly motivated and aggressive international bank and are seeking to fill the following positions:

SENIOR ACCOUNT/LENDING OFFICERS

Candidates required should be aggressive lending bankers, aged 29-36, with a proven track record in the development of UK business. The position requires broad experience in credits with a demonstrated ability to handle complex transactions. A degree or professional qualification is desirable. Personal characteristics would include highly developed communicative skills, adaptability and enthusiasm.

SENIOR DEPOSIT & FX DEALERS

Candidates, ideally, should have 6-7 years' experience as money or FX dealers in a major international banking institution and be around 28-32 years old. Complete proficiency in spots and futures dealings and swap transaction is required for FX dealers and Eurocurrency dealings for deposit dealers.

Excellent salaries, commensurate with experience and responsibility held, will be offered, along with a generous benefits package usually associated with a major international organisation.

Applications enclosing a c.v. should be sent to:

The Personnel Officer
ARAB BANKING CORPORATION
6/8 Bishopsgate, London EC2N 4AQ
Telephone: 01-283 8511

Director

Smith & Nephew Textiles Limited

This appointment is responsible to the Managing Director of the Textile Division of Smith & Nephew for production and sales of yarns, cloths and finished textile products for medical/hospital use. Over 1300 are employed at two main sites in Lancashire.

Candidates, male or female, age 35 to 45, will be graduates in a scientific/technical discipline, preferably textiles, and ideally have an additional business/marketing qualification. They must have a proven management record in textile manufacturing, preferably with some commercial experience.

Salary will interest those currently earning around £15,000; car and other benefits.

Please write in confidence with relevant career details to D. A. Ravenscroft at Bull, Holmes (Management) Limited, 20 Albert Square, Manchester M2 5PE.

Bull Holmes
PERSONNEL ADVISERS

GENERAL MANAGER

SALARY NEGOTIABLE TO £18,000 p.a. + CAR

A fast-expanding Insurance Broker is looking to recruit a first-class Administrator to be responsible for the day-to-day management of their branch network. The branches are located in the Midlands and the South but the successful applicant will be based at the group's head office in London.

Applicants (30-40) must be able to demonstrate that they possess the skills required to operate effectively in the key areas of administration and staff motivation.

Telephone G. J. Clark
(who is advising the company on this appointment)
on 01-422 8218 in strict confidence

Bank Recruitment Specialists

SENIOR CREDIT ANALYST
Middle East
to £20,000 + bonus, tax free

Due to sustained growth and internal promotions, a major bank in the Gulf has an opening for an additional Senior Credit Analyst.
This permanent appointment offers the possibility of considerably enhancing one's experience by involvement with a substantial and varied loans portfolio. Candidates will be mature international bankers (aged 25-35), with backgrounds of at least 4 years in credit analysis. Willingness to participate in the training of local staff is important.
Future career prospects exist either within the credit area, or in business development.

F.X./DEPOSIT DEALER to £16,000

Excellent opportunity with a prime Continental name, calling for 5-6 years' all-round dealing experience (spot, forward, deposits) gained with a major bank. Age preferred: 26-30. Outstanding fringe benefits.

AUDITOR c. £15,000

Soundly-based, expanding London bank seeks a mature, experienced Bank Auditor for a new and senior appointment entailing some U.K. and overseas travel. The successful candidate will be a self-starter aged 30-40, with a City banking background including audit, accounting and data processing. Qualified accountant preferred, although not essential.

Please contact Leslie Squires

CHARTERED ACCOUNTANT
Merchant Banking to £11,000

Career opening within the Loans area of an eminent Accepting House. The position is open to a newly or recently qualified Chartered Accountant, aged 25-27, who possesses an excellent educational background (including a university degree), coupled with good communication skills and an aptitude for business development.

CREDIT ANALYST
German-speaking £12,000+

London-based appointment with a substantial German bank, calling for an Analyst aged 25-32 with a minimum of 2 years' Credit experience in banking. Fluency in both English and German is required, ideally with German mother-tongue. The successful candidate will be involved in the analysis of both country and commercial risk business.

PROPERTY PROFESSIONAL
£15,000+

A leading bank requires a mature, energetic individual to play a major rôle in the administration of over 100,000 square feet of prime City office accommodation. In this context, we should like to hear from people aged 28-38 with several years' in-depth experience of commercial property negotiation/administration. Candidates who are qualified Surveyors would be welcome, although this is not a prerequisite.

Please contact Ken Anderson

Telephone: 01-248 7421 or 01-248 8876

Anderson, Squires
Bank Recruitment Specialists
Regina House, 1-5 Queen Street
London EC4N 1FP

Anderson, Squires

BANKING . . . BANKING . . . BANKING . . .

FRN TRADER
International bank requires an experienced FRN Trader for its London operation. Suitable candidates will have already gained sound experience with a recognised market name. The position will suit the young trader ready to take the next step in their career. Salary will be negotiable.

INTERNATIONAL LOANS
An excellent opportunity is offered by a leading city bank to an experienced credit analyst. Formally trained in credit analysis and with a good general standard of education your principal duties will be credit analysis relating to non-UK lending propositions and the collation of allied economic and peripheral data. Candidates should have an excellent all round knowledge of loan documentation including syndications. c£12,500

CORPORATE FINANCE
Having gained 2/3 years experience with a name known for its expertise in corporate finance you will now be ready to move to a bank that will allow you to stretch your talents. You will have a good level of education and a professional qualification would be advantageous. Salary will be negotiable according to relevant experience.

LEE HOUSE, LONDON WALL, EC2. 01-606 6771.

ROBERT HALF

SEARCH & RECRUITMENT FOR THE WORLD'S BANKS

CJRA

RISK INFORMATION ANALYST
CITY £8,500 - £10,500

LEADING INTERNATIONAL LLOYD'S BROKERS

Our Client requires an Analyst to work within a unit specialising in the development and provision of computer-based information and analytical services for direct client use. This involves a substantial proportion of time working with the computer in the administration and operation of the service. However, the successful candidate will have the aptitude to go beyond this, interacting with users of the service. Experience should include use of data base or analytical systems, preferably within insurance, accounting or data processing. Excellent benefits package. Applications under ref 14046/FT will be forwarded unopened to our Client unless you exclude them in a covering letter to the Security Manager.

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LTD,
35 NEW BROAD STREET, LONDON EC2M 1NH.

Assistant Lending Officer

French Speaker 22/25

Our Client is one of the largest European banks with a unique reputation in the *commodities finance area*. They seek to strengthen the London arm of their team by appointing a Credit Analyst with around two years' general experience to work with a *senior Account Officer*.

You should be attracted to commodity financing involving in particular transactional finance and the assessment of country risk. You must be a natural communicator and capable of working in a highly active and imaginative environment.

You will be closely associated with the senior Account Officer and will provide him with the relevant back-up allowing him accurate and rapid appraisal of transactions. You should expect to move into an Account Officer role in due course. The job is located in the City and there are the usual generous mortgage terms and other banking benefits.

Please write with full details to Colin Barry at Overton Shirley and Barry (Management Consultants), Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-353 1884.

Overton Shirley and Barry OSB

R.P. Martin are offering a safer bet for the best brokers

R. P. Martin are looking for some of the best brokers in the business to join their International, Euro Dollar Deposit and all Sterling departments.

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If that sounds like the kind of deal you think you deserve, and if you can convince us you're worth it too, write with full c.v. to Miss Helen Forrest, Personal Assistant to the Joint Managing Director, R. P. Martin plc, 36-40 Coleman Street, London, E.C.2., or call 01-600 8691 for further details.

R.P. Martin p.l.c.

BANKING OPPORTUNITIES

OVERSEAS

CREDIT ANALYSTS 20s/30s £20,000

An expanding international bank requires a number of credit analysts, preferably U.S. bank trained, to work in the Middle East. Candidates must have no less than 4 years' formal credit analysis experience in a bank.

U.K.

CORRESPONDENT BANKER late 20s/early 30s £15,000 neg.

Experienced correspondent banker with emphasis on foreign trade *finance and letters of credit* and with existing European and U.K. contacts sought by expanding international bank. This position is of major importance to a professional team.

SENIOR PROGRAMMER 30s c. £15,000

An international bank currently requires a senior programmer who is familiar with IBM 34 RPG2. The position will involve the installation and modification of the bank's computer system, leading to systems analysis.

EXPORT FINANCE ASSISTANT 27/30 £9,000 neg.

Assistant required for ECGD manager to administrate ECGD buyer and supplier credits but additionally should have broad knowledge of banking services, especially credit assessment and foreign exchange. Travel overseas also involved at a later date in this expanding European bank.

CREDIT ANALYST 26 max. c. £8,000

Graduate with good education and first-class degree with merchant or international banking background required by prestigious bank to work on credit assessments, pricing and documentation of loans guarantees, etc. *Travel to Far East involved.*

LJC Banking Appointments Ltd.
170 BISHOPSGATE, LONDON EC2M 4LX
01-283 9953

INTERNATIONAL BANKER

The London-based affiliate of a major Saudi Arabian financial institution seeks an experienced international corporate lending executive. The successful candidate will have had at least 8 years with a *major banking* institution. The position will involve the negotiation of short and medium term financial arrangements with *major corporations* and will involve overseas travel. Preferred age mid-30s. Attractive salary commensurate with experience. Benefits will include pension plan, permanent health and life assurance, medical insurance and car.

Please write with full curriculum vitae to the General Manager, Box No. A.7820, Financial Times, 10 Cannon Street, London EC4P 4BY.

INVESTMENT MANAGER

Up to £28,000 per annum + substantial fringe benefits — **Home Counties Location**

Our Client is a substantial and highly reputable Life Assurance Group which is developing rapidly in the field of Consumer Financial Services. Both the product range and the marketing and selling organisations have been substantially expanded and further development is in hand. Funds under management are in excess of £100 million and a planned rate of increase in excess of £50 million per annum is being achieved.

The Investment Manager will be responsible to the Director of Investment for all aspects of day-by-day fund management. Responsibilities will include supervision of the investment team, development of investment strategy and overall portfolio management.

Candidates for this important position will have succeeded as portfolio managers *in an investment environment* where day-by-day *performance measurement* is a key feature. Previous experience of managing an equity based portfolio is essential.

Please reply to me, Simon Green, Consultant to the Group. Applications will be *treated in strictest confidence.*

BDC (International) Limited
63 Mansell Street
London E1 8AN
01-488 0155

BDC

Mobil Services Company

INTERNATIONAL EDP AUDIT MANAGEMENT

c. £16,000

This is a newly created position within the Corporate Audit Department of Mobil Services Company Limited, with responsibility for directing operational *audits of Mobil's international computer installations, existing* financial and commercial management systems and new systems and software development projects.

The man or woman appointed will train and guide a team of operational auditors who travel extensively throughout Europe, Africa, the Middle East, Far East, Australasia and Latin America. Personal travel to ensure effective guidance and assistance at audit closure will be involved.

The ideal candidate will be aged between 30 and 40 and will have in-depth experience of financial auditing techniques, combined with a good knowledge of modern *financial and commercial data processing. An accounting* qualification or a degree in Computer Science backed by involvement in financial systems is essential.

On a personal level we're looking for good communication skills, a flair for leadership, and an ability to interface effectively at all levels. A knowledge of *French or Spanish* would be an advantage.

In addition to the competitive salary and membership of our executive car scheme we offer you generous allowances and first class benefits. In addition there are excellent prospects for future career development within the worldwide Mobil organisation.

Please write, giving details of qualifications, experience, age and current salary **to Mr. P. Stone, Mobil Services Company Limited, Mobil House, 54/60 Victoria Street, London, SW1E 6QB.**

Mobil

London International Financial Futures Exchange

Comfin, an established London commodity broker, offers exacting opportunities on LIFFE which is scheduled to open in September.

The Company is the UK associate of a major international Group with interests, *inter alia*, in commodities, banking, insurance, distribution and food.

Comfin's staff is now being expanded in readiness for the Exchange's opening. The Company would like to hear from experienced people in commodities, banking, money broking and the Stock Exchange who are looking for a stimulating new challenge.

Please write in confidence to Ian McEwan at Comfin (Commodity & Finance) Company Limited,

Adelaide House, King William Street, London EC4R 9DX.

Investment Analyst

Overseas Equities up to £12,000

Our client is a well established and expanding Life and Pensions office with a good investment record. Total funds under management exceed £700m, and new *money available for investment was over* £100m last year.

An opportunity now exists for a well qualified Investment Analyst, between 25 and 35, to assist with the management of their overseas equities. The *appointment offers a high level of* involvement, and a positive contribution will be expected at an early stage.

Relevant experience in a similar institution is essential, together with a professional qualification or appropriate degree.

Salary is negotiable between £10,000 – £12,000. Benefits include *non-contributory* pension and low cost house purchase facilities.

Applicants should forward a full c.v., listing separately those companies to which their *details should not be sent and quoting ref.* 1774 on their envelope. All letters will be sent directly to our client.

Charles Barker
RECRUITMENT ADVERTISING SERVICES
30 Farringdon Street, London EC4A 4EA. 01-236 3011

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CLEMDALE ASSOCIATES

are a group of skilled Managers supplying both

Non-Executive Directors and Temporary Top Management

Also the odd shoulder to lean on

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Green Lane, Bosham
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Tel: 0243/573740
Midlands Office: 038/482/5612

A CAREER OPPORTUNITY?

If you are looking for a more challenging position

WE CAN HELP

For further information
telephone Jacqueline Baird or Barry Taylor

Contact

87, Jermyn Street,
London SW1Y 6JD
Tel: 01-839 1464
or: 01-839 3935

- CAREER ASSESSMENT
- SELF MARKETING
- *CAREER COUNSELLING*
- *BUSINESSES*

U.S. Lawyer

A leading international investment group requires a senior attorney with sound grasp of the regulation of U.S. securities and commodities markets and with international experience in corporate law and litigation. Although based in London, travel is *extensive.* Age 30-45. Attractive *salary commensurate with* age and experience. Please write, in confidence, with full career details to:

Box A7822, Financial Times
10 Cannon Street, EC4P 4BY

Gilt Marketing

The Gilt-Edged Department of Wood, Mackenzie & Co. provides a comprehensive service in long, medium and short-dated stocks to institutional clients.

The department has expanded its activities considerably over the last three years, and now requires additional personnel to provide marketing services to clients. The vacancies are for executives with two or more years' experience *in the long and/or short gilt markets.* Relevant experience would be in fund management, stockbroking, or some related field.

The positions are located in London. A fully competitive salary will be offered plus profit-related bonus and additional fringe benefits.

Please apply to:- T. Grimes, BSc, FIA,
Wood, Mackenzie & Co., 62/3 Threadneedle Street,
London, EC2R 8HP. Tel: 01-600 3600

WM

WOOD, MACKENZIE & CO.
MEMBERS OF THE STOCK EXCHANGE

Managing Director

for a highly successful business based in the north of England. Turnover is around £7m from manufacture and marketing of chemical based products to aircraft, engineering and construction industry sectors.

- RESPONSIBILITY is to the Chairman, on the board of the parent group, for masterminding further profitable business development in the UK and overseas.

- GENERAL MANAGEMENT EXPERIENCE is essential. The post calls for a strong marketing orientation and marked leadership qualities. An engineering background would be beneficial.

- AGE INDICATOR 35–45. Total remuneration unlikely to be less than £20,000.

Write in complete confidence
to N.C. Humphreys as adviser to the company.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET • LONDON W1N 6DJ

Executive selection consultancy

C&L

We are a large international firm of management and economic consultants. Our Executive Selection Division handles a wide variety of senior appointments at home and abroad. These assignments often include advice on organisation *and remuneration policy in addition to selection.*

Our special strengths in selection work are that we bring to bear the combined skills of executive selection personnel, appropriate functional specialists from our consultancy practice and a world-wide knowledge of local conditions *through our 300 offices.*

We now wish to strengthen our selection group by appointing an additional consultant. You should have a degree or professional qualification, be at home in the boardroom and have experience of management selection. Candidates *who have a recognised* accounting qualification and experience at a senior level in the financial or computer functions would be of special interest.

Please send career details and a daytime telephone number to E J Robins, Executive Selection Division, Ref. R60/31.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House, Noble Street
London EC2V 7DQ

REUTERS REUTERS REUTERS

Selling to the City

c.£19,000 + Car

Reuters has openings for professionals with direct and active experience of City markets. We supply a wide range of specialised Banking, *Broking, Commodities and Shipping* Services. With the continued expansion of these services we now have immediate vacancies for successful people who feel their expertise is not fully utilised.

The ideal candidates should be 23-35 and can expect annual earnings in the region of £19,000, with the possibility of earning more *for outstanding sales performance.* A car is also provided and there are opportunities for promotion both in the UK and abroad.

For an application form, write or telephone:-

Recruitment Manager,
REUTERS,
85 Fleet Street, London EC4P 4AJ.
Telephone: 01-353 7339
(This is a 24 hour answering service)

These positions are open to men and women.

REUTERS REUTERS REUTERS

International Appointments

SENIOR F/X DEALERS

Kuwait **£ Neg – tax free**

Expanding Commercial Bank

Our Client is a leading bank in Kuwait with substantial plans for the further development of its successful trading activities.

The immediate requirement calls for 2 experienced F/X dealers to contribute significantly to the dealing room performance. A minimum of 3 years' active trading in both spot and forward exchanges with a major international bank is regarded as essential.

These challenging appointments are offered on the basis of an initial 2 year contract and provide the opportunity both for career development and personal success within a professional team environment; additional incentives include a most competitive tax free salary and an attractive expatriate benefits package.

Contact Norman Philpot in confidence on 01-248 3812

NPA Middle East Recruitment

60 Cheapside London EC2. Telephone: 01-248 3812/3/4/5

Where else can qualified Accountants turn their experience into capital

Right here in Dhahran Saudi Arabia

£14,000 to £20,000 p.a. plus overseas allowances of not less than £3,000 p.a.

Give us a few years of your experience and in exchange we will give you the opportunity to build your capital. ARAMCO, the world's largest oil producing company, offers unique rewards and challenges to qualified Accountants interested in developing their careers at company headquarters in the Eastern province of Saudi Arabia.

You will join a highly professional headquarters finance organisation which employs advanced EDP systems and controls business activities on a truly vast scale. This provides a *unique opportunity to utilise* professional skills, gain worthwhile experience, and enjoy high rewards.

The lifestyle with ARAMCO in Saudi Arabia can be very pleasant. ARAMCO has developed a community which embraces several thousand expatriate personnel and provides most western amenities *including cinema, television, supermarkets and full* sports, recreational and social facilities.

We are looking for qualified Accountants (ACA, ACCA or ACMA) with at least 3 years' relevant experience. Part qualified candidates with exceptional experience will also be considered.

Opportunities exist in the following areas:

Internal Auditors

Our Internal Audit Group requires Auditors and Accountants with some experience in the audit function to review activities such as construction projects, producing and terminaling operations and accounting and administration controls on all aspects of the company's activities. Exposure in your current situation to oil and gas activities, and construction projects would be advantageous. (Ref: 8819)

Contract Review and Cost Compliance Analysts

We require candidates with a background in construction and contract auditing or administration, experienced with international petroleum engineering, construction, manufacturing or infrastructure *development organisations. Appropriate professional* qualifications and experience are essential, as is the ability to work with a project team and with contractors. (Ref: 8820).

Financial Systems Analysts

Here, we require persons with an accounting education and *experience in EDP Systems Analysis* and Programming. We are looking for people with the ability to represent finance with EDP in day-to-day operations situations, but more importantly to participate in the development of new systems to meet our changing and growing requirements. The ability to prepare articulate reports to both EDP and User *organisations is a must. Familiarity with IBM 370 and* 3033 systems would be useful as would experience with COBOL, PL 1 or Mark IV (Ref 8821)

ARAMCO offers competitive salaries and highly attractive overseas financial incentives for these bachelor status appointments, including air conditioned accommodation, free medical care and *generous home leave arrangements.*

Married status may be available after one years' service. You owe it to yourself to find out more. Interviews will commence in London in late April.

Telephone today for an application form (quoting the appropriate reference number, or alternatively forward full details of education and career to: ARA International 11-12 Hanover Street, London. W1R 9HF.

ARAMCO

PHONE TODAY! **01-491 8012/3 (reversing charges) or ask Operator for FREEPHONE 2422**

ARA International

SEARCH, SELECTION AND RECRUITMENT ADVERTISING.

APICORP

APICORP an inter-Arab investment Corporation sponsored by the member states of OAPEC to finance petroleum and petroleum-related projects would like to fill the following posts at its head-office in Al-Khobar, Saudi Arabia

COMPUTER DEVELOPMENT STAFF

APICORP's multi-disciplinary professional staff make effective use of computing facilities provided by an IBM S/34. Developments are planned in the areas of *portfolio management, financial modelling and information retrieval*, and the acquisition of additional hardware/software is likely. We are looking for 2 mature graduates or professionals with 5 to 10 years' *experience in programming, systems analysis and user liaison* to work on their own or with a multi-national team. Strong S/34 RPG II orientation is an advantage. Experience in package implementation, data base techniques and office automation will be an asset.

Salary equivalent to $35,000/40,000 p.a.

In addition to negotiable tax-free salary, the Corporation has an excellent competitive benefits package including free air-conditioned, fully-furnished family accommodation, 32 working days annual leave plus public holidays, transportation allowance, free medical care, holiday airfares for employee and dependents, education allowance, relocation expenses and a comprehensive contributory pension scheme.

Please apply, in confidence, giving relevant details of personal and career history, to:

Administration and Personnel Manager
Arab Petroleum Investments Corporation
P.O. Box 448, Dhahran Airport, Saudi Arabia

All applications will be acknowledged and interviews will be held either in Saudi Arabia or abroad. Short-listed candidates will have the opportunity to visit the Corporation before accepting an offer.

Financial Director

Nigeria £30,000 PLUS

British engineering group seeks a Financial Director for its Nigerian operations which have an eight-figure turnover. Remuneration package, including free accommodation and comprehensive benefits, is negotiable in excess of £30,000 a year. Three-year contract could be followed by a senior financial appointment in the UK.

Candidates, aged 30-50, will be qualified accountants with wide-ranging experience of finance including treasury and sophisticated management accounting in a manufacturing environment. Overseas experience, powers of leadership and the ability to contribute to corporate strategy are essential.

For full job description write in confidence to W. T. Agar, John Courtis & Partners, 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our client's requirements, quoting FT/2157.

John Courtis and Partners

Hong Kong Society of Accountants

c.£30,000

The Hong Kong Society of Accountants (HKSA) is the statutory body in Hong Kong which regulates the conduct of professional accountants and is the authority which issues practising certificates in Hong Kong. The Society is expanding its services to its members and registered students.

Applications are invited for the following newly created posts:-

Continuing Education Director

The Continuing Education Director will report to the Continuing Education Committee and have overall responsibility for the development, quality and administration of all continuing education programmes sponsored by the Society. He will also monitor the participation of members in continuing education activities.

The candidate, in the age range 30-40 years, preferably a qualified accountant, should have experience of running continuing education programmes for professional institutes. Experience in tuition is an advantage.

Technical Director

The Technical Director will have overall responsibility for the development of professional standards and practice guidelines and the provision of technical support to the appropriate committees of the Society. He will assist these committees in reviewing and commenting on legislation affecting the profession.

The candidate should be a qualified accountant, aged between 30 and 40 years, and have experience in the technical department of a professional firm.

The remuneration packages for the above posts are negotiable commensurate with the candidates' experience, but will not be less than HK$300,000 per annum.

Applications in confidence marked 'Strictly Private and Confidential' and 'Ref: HKSA' should be sent to:-

Mr. J. B. de C. Thompson,
c/o Price Waterhouse, Southwark Towers,
32 London Bridge Street, London SE1 9SY.

Interviews with a representative of the Society will be conducted in London from 27th–30th April.

INTERNATIONAL BANK

Located in Paris

SEEKS

MARKETING OFFICER

with 5-10 years banking experience

Candidate should have strong business development skills and experience in the international commodities and the trade finance areas. Fluent English and French required

Please send c.v. to Financial Times Box A7816, 10 Cannon Street, EC4P 4BY

SENIOR LOANS ADMINISTRATOR

$55,000 **BAHRAIN**

An international bank with an established, varied portfolio seeks an experienced, meticulous officer aged over 40 to control the department and contribute to the development of operations. Tax-free salary, substantial benefits, excellent conditions, single status.

Please write in confidence to Richard Bucknall

Zarak Hay Associates
Banking and Financial Recruitment.
Suite 22, 4-6 Copthall Avenue, London EC2R 7DA
Telephone 01-638 3031/628 4200

DIRECTOR OF FINANCE AND PLANNING

International Banking **Kuwait**

A leading bank in Kuwait wishes to appoint a Finance and Planning director. This is a *new appointment* in a respected and rapidly expanding institution, presently restructuring its management to create a more diversified and competitive approach in both domestic and international markets.

Reporting to the General Manager, the successful candidate will be responsible for the development of corporate strategies and the planning required for their successful implementation. Other responsibilities will include the *evaluation of new business opportunities*, establishing control criteria and overall responsibility for the bank's accounting functions.

The successful candidate will possess a professional accounting qualification and will probably have sound experience of *banking operations*. Age is less important than practical experience of corporate planning and financial management at a senior level.

Normal expatriate conditions of service will apply and the level of remuneration will be attractive to those already earning £35,000 per annum.

Applicants should send a career history and personal details quoting ref FT/172/A in confidence to D W E Apps at:

E&W Ernst & Whinney Management Consultants
57 Chiswell Street, London EC1Y 4SY.

A multi faceted bank,

actively involved in the business of corporate and private banking, lease financing, investment management, security trading and treasury and foreign exchange, has a position for a

Chief Financial Officer

for Amsterdam Holland

Holl. fl. 100.000

The bank has total assets in the range of $ 500 million. The individual - preferably a Dutchman and/or Dutch speaking - will report directly to the President and Board of Management and will serve on the Management Committee. Supervisory responsibilities for a staff of 12 to 15 professional and clerical level employees.

Duties will include the supervision of the following functions:

Monthly consolidation and preparation of financial statements for local management and the U.S. shareholder.

Daily, weekly and monthly reporting to the Dutch Central Bank.

Co-ordination of annual audit with external accountants and preparation of Annual Report.

Preparation of interim and year end tax returns.

Additional reporting to U.S. shareholders including U.S. regulatory reporting.

Daily reporting of volumes, variances and other pertinent data to the Board of Management.

Expense accounting.

In addition, the individual will work closely with the President and Board of Management supplying additional financial data, doing analytical studies and problem solving. There is a close working relationship with the Financial Division of the U.S. parent and planned integration with the U.S. parent's financial reporting systems. The individual will work closely with all other sectors of the bank and will be involved in the design, user testing and installation of computer systems. Reference 635

Wessel & Ebbinge

We are management consultants and have been asked to assist in the recruitment and selection procedure for the position with this bank. Your application will be held in confidence and only after an interview and after obtaining your explicit permission will we report to our clients. De Lairessestraat 19, 1071 NR Amsterdam, Holland, telephone (020) - 64 65 11

Data Administration & Security Manager

Brussels base **Outstanding benefits**

A major international Bank, our clients have based in Brussels their international technology group. Within its committed objectives, this group has *responsibility for leading the Bank into the 80s and 90s* by introducing the new systems and techniques of information technology.

The situation is outstanding in that it is explicit that developed *systems truly meet the user needs, rather than constraining them.* To ensure this, they are seeking a key person, a banking professional, to provide direction and practicality.

The ideal candidate will have demonstrably successful experience in operating banking. From first-hand participation in day-to-day banking operations, he or she will understand controls, reporting, information security and *confidentiality. There may well have been contact as a user* with system design and personal interest could lie in this direction.

Responsibilities will include centralised control, standardisation and usage of bank information and *the definition and administration of this information to support their banking systems worldwide.*

This is an exceptional and unique opportunity for a banking specialist for career advancement *in the forefront of technological development.*

Total remuneration/relocation package is outstanding.

If you are interested in this position, please telephone or send a detailed c.v. immediately to Tony Eldridge,

JVG RECRUITMENT LTD

JVG Recruitment Ltd., Sentry House, Frimley Road, Camberley, Surrey. Tel: Camberley (0276) 29213 (24-hour answering service). Telex: 858386.

Licensed Annually by Dept. of Employment Recruitment Consultants

Financial Times Thursday April 1 1982

International Appointments

Senior Banking Opportunities – Kuwait

This leading Middle East bank is consolidating its enviable domestic position and strengthening its international activities as a future growth area. These are key appointments offering challenge and excellent long term prospects in a highly professional environment.

There are attractive negotiable salaries based on experience and position, with generous benefits including bonus, married accommodation, car, educational assistance, medical care and paid holiday. Please write – in confidence – with full personal and career details or telephone (01-730 0255) G. E. Yazigi quoting the appropriate reference.

Senior Credit Manager

Arabic Speaking — *Around US$60,000*

The position reports to the General Manager and is a key factor in the continued development of the domestic credit plan. Candidates with sound credit training must have at least three years' significant lending experience with an international bank. Arabic speaking is mandatory. University degree is a distinct advantage. Ref. B.1134-4.

Manager

International Credit — *Around US$48,000*

Major responsibilities will be to evaluate and recommend international loans and participations in major syndications and to service multi-national clients. On-going client and country risk analysis is a fundamental task.

Candidates must have 3 to 5 years' experience as a Lending Officer with an international bank or financial institution. Formal credit training and familiarity with Eurodollar syndication and documentation are essential. A university degree and knowledge of other languages an advantage. Ref. B.1134-5.

Manager

Correspondent Banking — *Around US$42,000*

Prime responsibility will be for maintaining relationships with a substantial network of correspondent banks worldwide. A major challenge is to maximise reciprocity from correspondents through both traditional and innovative policies. Responsibilities include recommendation of FX and MM limits and frequent customer contact.

Candidates, preferably with a professional banking qualification, should have significant correspondent banking experience with a major bank. Ref. B.1134-6.

MSL middle east
Management Selection Limited
International Management Consultants
52 Grosvenor Gardens London SW1W 0AW

Funding Manager

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THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

ADVERTISING

Is the layer of fat for the chop?

Ray Bagel: claims his secret formula will cut wastage inherent in client campaigns

Glyn Genin

MADISON AVENUE, home of the American advertising industry, has been hit by the news that a business school professor has developed and tested a computerised programme which takes much of the wastage out of advertising campaigns.

Professor Ray Bagel of the Kansas Centre for Business Studies has spent the last ten years developing a formula which will give advertisers a much more accurate measure of campaign effectiveness than has ever been available before.

His formula is still secret, although he is delivering a paper at the International Communications Seminar in Hawaii in June. He is particularly reluctant to discuss whether it makes use of simulation models to correct vector response. But two of its components are understood to be the placing of very specific coefficients of value on product facings in supermarkets, plus in-depth qualitative research into the presenters and sets of television commercials.

For example, by switching from a strong featured actress with a red dress in one commercial for pork scratchings to a rather mousy blonde in beige, sales increased considerably: the target audience of housewives did not feel threatened by the more homely looking presenter. There are obviously other factors in the formula—Professor Bagel is known to pay special attention to stock levels: the age of salesmen, and the length of commercials, experimenting with one second spots, the shortest allowed in the U.S.

Although the test has been concentrated on a small range of products in only one area of the U.S.—Wichita—the results are believed to be extraordinary. One major advertiser has cut its advertising budget for four successive years while sales of its products have risen steadily.

The research is being made public earlier than Professor Bagel intended because the local television station in Wichita—W-XTC—refused to accept the new, much reduced, advertising format.

The Madison Avenue agencies are moving quickly to meet the threat from the mid-West. A spokesman for one major agency said "formulae can be an aid but they cannot replace the great creative idea. What works in Kansas will not work in Krakatoa".

Another agency chief commented "I'm not worried by all this. It is in the interests of marketing directors as much as agency executives to maintain a layer of fat in this business." Even so, Professor Bagel's formula is on the agenda for this morning's monthly meeting of the Club of Sixty Nine, the select group of top American advertising agency directors.

Leaving aside the inevitably defensive reaction of Madison Avenue, one technical factor which may limit the relevance of the Bagel research is the bias towards homes with cable television which is believed to be built into the system. A test market undertaken in the Sunny Fields area of Wichita, which has cable television links, produced much better "intentions to buy" results than the audit in central Wichita, not yet with cable TV. Some housewives in Sunny Fields were apparently pressing their purchasing buttons, which send an order direct to their local store, before the commercial was completed.

Some critics speculate that, with the technical advances made available by computer networks, Bagel's impact could soon be enhanced still further, with advertising being quickly terminated, even in mid-commercial, when sufficient orders have come through.

Before switching his attention to advertising Professor Bagel had produced a doctoral thesis on the marketing of pork bellies. This suggested that the Kansas Hog Growers Association should use television advertising to promote new uses for pork bellies.

The scare Bagel has caused on Madison Avenue brings unexpected controversy to the British advertising industry's current advertising effectiveness competition. If Bagel is successful, he will effectively eliminate the 50 per cent of wastage that the late Lord Leverhulme believed was in every advertising budget. Since it is this wastage that has maintained advertising agency living standards at such a ripe and healthy level over the decades, any development which introduces science into what has always been a creative art form is certain to create a tidal wave of change.

Antony Thorncroft

Woolworth spends its way to the top

Don Beckett reports on the biggest advertising budgets

F. W. WOOLWORTH, the troubled retailing giant of the High Street, has emerged as Britain's biggest advertiser for 1981, according to the latest figures published by Media Expenditure Analysis Limited (MEAL).

Woolworth replaces the Co-op movement at the top of the league table which is dominated — as in previous years — by retailers. A combination of the increased competition for trade — and the growth in scale of multiple chains — has forced the big retailers to spend heavily to maintain their sales volume.

Some eight out of the top ten advertising names in 1981 were retail accounts — as has been the case for several years.

Boots, the retail chemist chain, was the highest spending advertiser between 1976 and 1979 but its position at the top has been overtaken, first by the Co-op in 1980 and now by Woolworth. Yet Boots has actually increased its expenditure on advertising in the past two years.

MEAL figures only measure rate card expenditure (not taking any discount into account) and relates to press and television advertising only. Radio, cinema, and poster advertising is excluded.

The figures also only refer to advertising by individual names and not by multi-product consumer goods manufacturers. Thus retailers are regarded as advertising "brands."

1981'S TOP TEN ADVERTISING NAMES

GENERAL LIST

	£m	Press %	TV %
1 Woolworths	10.20	35	65
2 MFI	9.59	78	22
3 Boots	9.36	78	22
4 Co-op	9.13	74	26
5 Tesco	7.09	51	49
6 Asda	6.51	55	45
7 Currys	6.15	81	19
8 Debenhams	5.96	67	33
9 Dulux	5.81	20	80
10 Guinness	5.61	12	88

EXCLUDING RETAILERS

	£m	Press %	TV %
1 Dulux	5.81	20	80
2 Guinness	5.61	12	88
3 Players K.S.	5.44	100	nil
4 Persil	4.74	8	92
5 Abbey Natnl.	4.67	69	31
6 Halifax B.S.	4.62	46	54
7 MMB Milk	4.61	15	85
8 Shell Corp.	4.19	26	74
9 Nescafe	4.17	8	92
10 P.O. Calls	4.16	nil	100

Source: MEAL

This year's top ten table has two new entries, Debenhams and Guinness, which have come in at the expense of Ford and the Midland Bank, neither of which is even to be found in the top 20 advertisers in 1981.

The eight names to retain their place in the top ten are Woolworth, MFI, Boots, Co-op, Tesco, Asda, Currys, and Dulux.

The second table (above) which lists the advertising spend for brands excluding retailers, shows that there has been considerably more movement with six brands new to the top ten. These are Persil, Abbey National, Milk Marketing, Shell, Nescafe and the Post Office's "Busby" campaign. Only Dulux, Guinness, Players King Size, and the Halifax Building Society retain their place in the top ten league table.

The losers are Ford, Midland Bank, three cigarette brands (Vanguard, Lambert and Butler, and Embassy), and British Airways.

The 1981 top ten table for all brands established several new records in terms of the actual level of advertising expenditure. Woolworth (including the Woolco superstores) became the very first brand ever to pass the £10m mark in MEAL terms.

Another first in 1981 was that all the top ten passed the £5m mark compared with six in 1980 and three in 1979.

The effect of inflation on advertising expenditure also means that the "millionaire brands"—those brands which spend more than £1m on press and television advertising—are now very common. In 1975, there were only 30 brands which spent more than £1m. By 1978, the total had reached 100, and last year there were more than 250 brands which spent this amount.

Brands which spent more than £3m in 1981 totalled 47 in 1981, compared with 30 in 1980. The £2m plus brands totalled 120 last year and 73 in 1980.

In spite of this increased expenditure by brands, neither the press nor television has benefited at the expense of the other.

There seems little reason to suggest that the top brands will not continue to spend heavily in 1982, with at least four of the top retailers spending more than £10m this year on advertising.

Although retailers will continue to dominate the top ten this year, it is likely that there will still be room for two or three non-retail brands to creep in — but it will certainly cost them more than £6m for the privilege.

Don Beckett is a director of the Media Business.

Photography—no flash in the pan

BY DAVID CHURCHILL

EASTER is the traditional start of the photography season as snap-happy holidaymakers emerge blinking into the Spring sunshine and begin to spend what last year amounted to £540m on cameras, films, and associated products.

The UK photography market, once just a small and relatively unspectacular part of the leisure industry, has mushroomed in recent years and has even continued to grow during the recession while many other leisure markets have succumbed under pressure.

The world of photography over the past three years has seen the industry display characteristics more usually found in fast-moving consumer goods sectors, as manufacturers, dealers, and film processors have reflected and stimulated consumer tastes with product innovation, modifications, and built-in obsolescences. Both retailers and processors have joined in fierce price competition.

A new report on the market, published this week by Euromonitor Publications, believes that the future growth prospects for the industry are "very encouraging." It sees steady growth in both value and volume terms, stimulated by a number of new products and major technological developments in the pipeline (such as the 3-D camera) and a "huge consumer interest in photography as a leisure pursuit which continues unabated."

The £540m spent on photographic products last year was an increase of 12.5 per cent on 1980. Euromonitor says that while this is marginally ahead of inflation for the sector, the heavy discounting in the trade had produced a steady rather than dramatic growth rate.

By value, some 44 per cent of the market is accounted for by film processing, with 35 per cent going on equipment, and 21 per cent on films.

Market growth has been maintained by the fierce price-cutting of the past couple of years. Over-production by manufacturers overseas—particularly in Japan—combined with the strength of sterling has sharply reduced the price of many specialist cameras.

This, and the introduction of new products at the cheaper end of the market, has helped keep the real cost of photography very low.

Domestic camera manufacturers have reacted to the supply of cheap imports by cutting their prices—and retailers have also responded by fiercely discounting equipment. Euromonitor says that profit margins have consequently been cut to "quite low levels"—4.5 per cent for retailers and 9 per cent for manufacturers.

The widespread price-cutting in the industry has created a vicious circle in the market. Consumers have more to spend on photographic products, because the price has come down, which has persuaded manufacturers to launch new products and to market their existing lines vigorously.

"This circle will only be broken when exchange rates fall and when Japanese over-production stops," says Euromonitor.

A new survey of camera owners, carried out specially for the Euromonitor survey, found that the most popular type of camera was the 126 or 110 format camera — owned by 37 per cent of households surveyed — and that nearly one in ten had bought this camera within the previous 12 months. The next most popular camera type was the "instant" camera, such as Polarpid.

The survey also found that some three-quarters of all households owned a camera which still leaves room for new market growth — and that purchases of single lens reflex cameras were nearly as great as for mass market "instamatic" cameras.

Overall, Euromonitor sees the market generally trading up, with future sales of the instamatic type of cameras at best static, and more likely in decline. The lower cost of more sophisticated cameras and the increased consumer awareness of their use will encourage their growth. The instant camera market is also expected to show steady growth.

Euromonitor says that "as discretionary spending increases over the next five years, photography will benefit from its ability to keep prices down at the retail level, and there will be a consistent year-on-year increase in the volume of business, far above the level forecast for consumer spending generally."

* "*The Photography Report*," *published by Euromonitor, 18 Doughty Street, London, WC1, price £135.*

In brief . . .

CAMPAIGNS: Two cross-channel ferry companies have appointed new agencies in preparation for the summer holiday season. The Finnish ferry company, Viking Line, has asked Colman & Partners to launch a £500,000 press and television campaign which starts this weekend. Sealink UK has appointed Parlour Wood to handle its regional advertising and "below the line" business for 1982 in an account worth over £1m.

Following recent advertising campaigns by Xerox and Olivetti, Wang is launching a £1.25m advertising campaign in seven European markets including the UK. The campaign will be handled by HHCC International.

Playtex is giving full support to the launch of Whispers, a range of co-ordinated underwear aimed at the teenage and early 20s market, with an advertising spend of £300,000 in the first six months.

PEOPLE: Bill Weithas is to become chairman of SSC & B: Lintas Worldwide in June, following the retirement of the current chairman Tim Green.

THE ARTS

Record Review

Two Barbers

by RONALD CRICHTON

Cornelius Der Barbier von Bagdad. Geszty, Schmidt, Kraus, Ridderbusch, Unger, Weikl-Munich Radio Orch., Bavarian Radio Chor./Hollreiser. 2 records in box. Eurodisc 86 830 XR.

Cornelius Der Barbier von Bagdad. Schwarzkopf, Gedda, Czerwenka, Prey/Philharmonia Orch. and Chor./Leinsdorf. 2 records in box. EMI Electrola C 147-01 448/49.

Offenbach Robinson Crusoe. Kenny, Browne, Hill Smith, Brecknock, Oliver, Opie/RPO, Geoffrey Mitchell Choir/Francis. 3 records in box. Opera Rara OR7.

Peter Cornelius, the composer of the comic opera *The Barber of Bagdad*, was a self-effacing artist, content to live in the shadow of greater men. His uncle, also Peter Cornelius, was a distinguished painter. Young Peter was destined by his parents to become actors like them, but chose music. He gravitated to Liszt at Weimar and later to Wagner in Vienna and Munich. *The Barber* was produced at Weimar in 1858, Liszt conducting, and won a hostile reception due to friction between the avant-garde grouped round Liszt and the reactionary element supporting the theatre Intendant, Dingelstedt. After the performance, Liszt resigned his position as musical director.

The work was withdrawn, to languish for many years in spite of the attentions of two eminent Wagner conductors—*Felix* Mottl, who re-scored the opera and compressed the two acts into one, and Hermann Levi, who put back some of the music but made further rescoring. Mottl was young and may be forgiven. Levi should have known better. For a revival at Weimar in 1904 the original version was used and the reputation of Cornelius's *Barber* was belatedly established, at least in his native Germany.

To an extent which has probably slowed down progress elsewhere, this has become a connoisseur's opera, difficult to write about without seeming superior—I was put off it for years by the irritating tone of Ernest Newman's essay in *Opera Nights*, though I was nurtured on and am still an avid reader of Newman's synopses. Cornelius was a quiet voice, subtle and sensitive. He kept his head and his individuality in the company of the great ones (he also frequented literary eminences). One surprising but successfully digested influence in the *Barber* is Berlioz. Cornelius heard the première of *Benvenuto Cellini* at Weimar and translated some of Berlioz's prose works. *Cellini* pops up recognisably in *The Barber*, lending an attractive, quicksilver gleam to the generally *gemütlich* feel and chamber-musical intimacy of the score. That may suggest an un-operatic style, but Cornelius wrote happily for the voice and, *pace* Mottl and Levi, deftly for the orchestra.

Now comes a recording from Bavarian Radio on Eurodisc (made in 1973) and a timely repressing by EMI Electrola of an old (1956) but excellent EMI set under Leinsdorf. Both use the original version. Hollreiser on Eurodisc gives the score unabridged. Leinsdorf snips and leaves room for the later (D major) version of the Overture, played here after the finale, and inferior to the B minor original which both conductors prefer to open with. *The Barber* is a short opera but the pace is leisurely. Some sections are on the generous side for the theatre, but the material is so good that one dislikes losing anything. Some may prefer Eurodisc because of the fuller (indeed rather boomy) sound, but the quality of Cornelius comes over clearer from Leinsdorf in spite of a certain thinness. Hollreiser is competent but pedestrian—Leinsdorf, the (old) Philharmonia Orchestra and Chorus are all nippier than their Munich Radio successors.

The story is taken from the Thousand-and-one Nights. The title-role — a 90-year-old oriental Figaro eager to help boy meet girl but nearly ruining the course of true love with his zealousness—needs a bass with a range of more than two octaves. Karl Ridderbusch, on Eurodisc, uses his splendid voice to admiration and sounds pleasantly genial, but nothing more. Oskar Czerwenka on EMI, reedy and not even over the wide scale, fairly oozes charm and foxy unctuousness. He trips the patter (Cornelius, his own librettist, had a Gilbertian dexterity with words) more self-admiringly. He even justifies the repeated recital of "funny" oriental names, which now sounds embarrassingly patronising.

The role of the lover, Nureddin, is described in the score as "Heldentenor" (*Tristan* and the *Ring* were in the future). What it needs today is a not too light lyric tenor. Gedda on EMI, young and fresh, is perfect. Adalbert Kraus on Eurodisc is musical and intelligent. He begins each section well (there is melting lyrical writing in this opera, like Schumann re-experienced by Wolf) but can't always sustain the ardour. The adored Margiana on EMI is Schwarzkopf, immaculate as a porcelain figurine. On Eurodisc that good artist Sylvia Geszty cannot match Schwarzkopf vocally but breathes human life into the role.

The ageless Gerhard Unger sings Cadi Mustapha in both recordings. Mustapha is involved in at least one enchanting ensemble of almost Falstaffian quality. Otherwise Cornelius does not bring minor roles to vivid dramatic life. The go-between, Bostana, offers little to Grace Hoffman (EMI) and still less to Trudeliese Schmidt (Eurodisc). In the same order Hermann Prey and Bernd Weikl draw blanks with the Caliph. Neither set provides an English libretto. With Eurodisc you get the German libretto in the Reklam edition. But don't let editorial meanness deter you from the delicious music.

Opera Rara successfully revived *Robinson Crusoe*, in an ingenious English version by Don White, at Camden in 1973. Two seasons ago they gave a concert performance at the Proms as a run-up to this recording. *Crusoe* (1867) was one stage in Offenbach's assault on the Paris Opéra-Comique, a campaign which ended, many years later, after the composer's death, with *The Tales of Hoffmann*. This version of Defoe by Cormon and Crémieux is described as an opéra-comique, justly, except that the beadier, irreverent operetta style refuses to be kept out. The mixture, however enjoyable for the audience, is hard for performers to get right.

The set has much good singing. The work needs it—Offenbach was as wicked as Mozart in driving singers to their limits. Robinson is a heavy part. John Brecknock's engagingly frank and open manner comes over well, but he is happier as practical castaway than as dreaming youth in Bristol. Yvonne Kenny as Edwige, Robinson's girl who follows him across the ocean, records admirably. Marilyn Hill Smith and Alexander Oliver are excellent as the second couple. Alan Opie is Jim Cocks, the Bristol lad transformed into cannibal cook. The direction of Alun Francis is more sound than sparkling.

Leonard Burt

John Bowe and Jenny Agutter

Other Place, Stratford-upon-Avon

Arden of Faversham

by MICHAEL COVENEY

The excitement of modern murder thrillers normally centres around the "whodunnit" question. The anonymously penned *Arden of Faversham* sets a different query: "Who *will* do it?" The Kentish landowner, Arden, strides heroically through a sea of conspiracy and botched assassination attempts until all parties converge on his kitchen with muddled and cataclysmic results.

The play is the coolest potboiler imaginable, a wonderfully sustained realist exercise in Elizabethan domestic tragedy with resentful motives finely balanced against accidental plot developments all contained in spare and evocative poetry, strong character portraits and broad-bottomed farce. Arden's wife, Alice, has the hots for a devious steward, Mosby. He, in turn, is marked down in the first scene as the cause of Arden's jealous rage. Also embroiled are the servant, Michael, and two other possible agents of murder—a painter who can provide poisonously infectious weapons like portraits and crucifixes, and a smallholder, Greene, whose land has been lost in the redistribution of territory to Arden.

Subsidiary to these machinations, Greene enlists the services of two freebooters, Black Will and Shakebag, to send Arden to his grave. The play unfolds in a shifting landscape that demands swift changes of interior and exterior locations. Kandis Cook solves this design problem admirably by providing a solid arrangement of heavy wooden beams and black curtains, an upper stage with easy access to the lower level, and an overhanging proliferating bough that serves both to enclose and expand the eye of the action as required.

Much the most successful element in Terry Hands's production (this first small-scale work for the RSC since the days of Theatregoround) is the farcical discomfiture of John Bowe's splendidly shaggy Black Will and David Bradley's saturnine stooge, Shakebag. Their braggartly incompetence is fully realised, from our very first encounter with them in a marvellous scene with a goldsmith, in which old wartime reminiscences jostle alongside a precise discussion of their roles as dissatisfied outsiders. When Arden escapes yet again in the open air, Mr Bowe is seen grovelling backwards along the ground from his intended victim, who ironically hands him his pistol as he departs the field.

The yawning gap in the show is the absence of any driving passion between Alice and Mosby. Jenny Agutter, endlessly fidgeting with a gold waist-chain, seems peculiarly alien to the society of the play. This hostess, you feel, would be tidying cutlery and passing round the After Eights at mealtimes. Her lack of vocal technique also prevents the verse operating as a potent weapon of communication. Robert O'Mahoney's Mosby is equally superficial, the performance strung together on a series of plastic facial sneers and empty postures.

I liked Mark Rylance's Michael, whose juvenile participation soon darkens into nightmarish reality. And Bruce Purchase, although swallowing many of his lines, makes of Arden an imposing giant, unreasonably infatuated, even when returning home to find that Alice is at it again. The concentration of the piece is not helped by some garish lighting effects and the meandering rumble of a Moog synthesiser. The show loses all control at its climax, degenerating into a raucous and unholy mess.

Barbican Hall

LSO/RSC

by DOMINIC GILL

With luck, and some imaginative enterprise to back it up, the two principal co-tenants of the Barbican Centre, the London Symphony Orchestra and the Royal Shakespeare Company, could find themselves investigating many new and interesting areas of collaboration. The field is wide open: theatre-music, music-theatre, multi-medium experiment — a whole repertory is waiting to be discovered, and especially, commissioned. Even if the first fruits of partnership could not be said to have revealed a positively vibrant sense of adventure on Tuesday in the choice of programme, the auguries are good, and the potential is there.

The first of the evening's double bill, which should by rights, in any other circumstances, have been its finale, was a performance, staged without curtain on the concert platform, of Stravinsky's *The Soldier's Tale*. Ralph Koltai has designed for it an attractively functional one-piece set that has a staircase, windows and a pair of revolving doors. Seven LSO players, under the attentive direction of Guy Woolfenden, music director of the RSC, made light and sparkling work of the score, with notable contribution from Jack Brymer's clarinet and Maurice Murphy's trumpet. Richard Pascoe narrated with spirit and clarity; Allan Hendrick gave us a most likeable Soldier and Joe Melia a deftly sinister (also curiously likeable) Devil. Tony Church's direction revealed no new face of the *Tale* but had the tact and sensitivity to obscure nothing of it either.

The season's obligatory Walton offering could be nothing else but *Facade*—here a jokey, jollied-up production shared between four speakers in costume. The more austere alternative of a single, or at most two reciters, and a minimum of stagey manners, is vastly to be preferred, and consistently sharper and funnier. Synchronisation of words and music was not good.

Barbican Hall

American lunchtime

One of the more stimulating, if also potentially the more confusing, aspects of the Barbican's concert schedule is the variety of starting-times designed to suit different timetables: early-evening concerts at 6 and 6.30, for audiences coming directly from work; evening programmes at the more traditional (though various) times of 7.15, 7.30 and 8; and midday concerts too — the Barbican is probably the only hall in Europe to offer regular symphony-orchestral concerts during the weekday lunch-hour (usually a preview of part of an evening programme to be played the following day).

Yesterday's lunchtime LSO concert under Mark Elder was a preview, without the main symphonic work, of this evening's American programme at 7.15. A pleasant light menu, served up with charm, opened with Bernstein's suite of Symphonic Dances from *West Side Story* and closed with Gershwin's *An American in Paris*, touching briefly in passing on *The Fourth of July* from Ives's *Holidays*. Doubts about the Barbican acoustic persist: from whichever side of the stalls one sat, basses, cellos and brass seemed unnaturally subdued. Could it be a question of removing still more perspex ceiling-globes?

DOMINIC GILL

British Museum

English views of Rome

by BRIONY LLEWELLYN

Rome, with its classical remains and its long and distinguished artistic history was, in the 18th century, an important centre of pilgrimage for European artists. During the second half of the century, artists as different as Reynolds, Robert Adam, Richard Wilson, John Robert Cozens, Fuseli, and Flaxman flocked there to study its antiquities and to absorb the atmosphere of its scenery and surrounding Campagna, immortalised in the paintings of Claude Lorrain and other landscapists of the 17th century. So strong were Rome's associations with ideal landscape that the arrival of English draughtsmen whose bias was towards topographical accuracy was bound to be noteworthy.

The water colours of two such artists are the subject of one of the British Museum Prints and Drawings Gallery's three current exhibitions (until May 2). John "Warwick" Smith was commissioned by his patron Lord Warwick to execute a series of views of Rome, and spent five years there (1776-81) gathering material. Francis Towne spent only a year (1780-1781) in Italy but was extremely active sketching in and around Rome and Naples. In their different ways both artists found in Italy the inspiration for some of the finest water colours of their careers. The two men met each other in Rome and travelled home through the Alps together; indeed, as several examples in this splendid exhibition show, they often sketched side by side.

But given the similarity of their subject matter and their basic approach, their treatment is quite distinct. Smith uses soft muted colours broadly applied on rough-textured paper to convey the general atmosphere of the scene; whereas Towne's precise pen outlines enclosing areas of clear colour on smooth paper reveal a greater interest in rhythmic line and pattern for its own sake.

Each gravitated towards famous classical monuments such as the Colosseum and the Baths of Caracalla—favourite sketching grounds for many an artist—but each emphasised different aspects. Smith focused on the arcades and vaults of the Colosseum, close to, observing the texture of the stones and the play of sunlight over their rugged forms, with no attempt to prettify his compositions (although also shown is a finished watercolour, worked up from such sketches, which is more conventional and includes "classical" figures in the foreground). Towne's views of the Colosseum—sketched early in his stay—which concentrate on the curious angles and shapes of the architecture and the trailing foliage growing over it, are more detailed and more consciously "picturesque."

His originality showed itself only a few months later after he had explored the Campagna and visited Naples where he sketched ordinary scenes with less pronounced classical associations. Warm tones of green and golden yellow replace the earlier delicate pale colours and he developed a clearer sense of form and outline. The two artists' views of the Temple of Concord, taken from similar positions probably on the same day, reveal their differences: Towne's precise outlines creating sharp silhouettes, his dense colours, and his strong contrasts of light and dark emphasise the decorative, formal qualities of the scene; Smith's less concentrated, sketchier treatment creates a less dramatic but more natural effect.

In watercolours such as *Ariccia*, where the bright early morning sunshine contrasts with the cool shade of the olive-green trees, Towne's ability to use simplified masses of colour to create bold, overall patterns is seen at its best.

Both artists produced undoubtedly pleasing watercolours: Towne's appealing for their dramatic, abstract qualities, Smith's for their naturalism. Their approach to their subject was neither intellectual nor didactic, and in this sense they are similar to their slightly older contemporaries in Venice, whose drawings are the subject of another of the three British Museum exhibitions.

Canaletto, the best known to English spectators, is represented by several lively, calligraphic drawings, the most elaborate showing the Doge at official ceremonies. The great Giambattista Tiepolo, his son Giandomenico, Sebastiano Ricci, Piazzetta and a host of others are on display, all notable for the brilliance of their execution and the lighthearted treatment of their subject. Their aim was to delight the eye and charm the senses, making them easier for us to assimilate than many of their Italian predecessors.

Waterloo Room, Festival Hall

British String Quartets

by DAVID MURRAY

Tuesday night's concert concluded this rewarding Park Lane Group series, though there are plans for more during the next two seasons. The performers this time were the Arditti Quartet, tackling the most demanding programme of the cycle with breathtaking confidence and panache. Evidently they have an appetite for music that broaches the limits of playability, or at least re-defines them further out than any but the boldest composers could envision. Luckily—but it can scarcely be an accident—the Arditti team also bring flaming musical conviction to what they do: the most sceptical listener couldn't doubt that the players, at least, are sure that matters of moment are in train, and not just technical experiments.

No premières this time, though Buxton Orr's String Quartet "Refrains IV" had not been heard before in London. That was the least demanding work in every respect: clearly and tamely worked out, stuffed with routine imitative writing, rhythmically square-cut and bland. Jonathan Harvey's Quartet has the air of disclosing rarefied mysteries (and would have, even without its excited programme note); it makes much subcutaneous play with glassy harmonics and other tiny noises, and preserves a sense of evasive direction very cunningly. The end suggests interplanetary messages fading out of human earshot.

John Buller's *Familiar*—to do with families, not with reminiscences—is in one movement, and not a bar too long. Though it is not, as the composer admits, really in the cultivated "quartet" tradition at all, it has pungent individual character (throaty collective mutters, brief outbursts of wrangling) and a fine instinct for sudden telling contrasts: something quirkily honest and friendly is conveyed. The Second Quartet of Brian Ferneyhough, crammed with refined complexities, is less amiable but mightily impressive. Like his wonderful Missa Brevis (and unlike, say, his hyper-saturated *La Terre est un Homme* for orchestra) it marries expressive density to extraordinary clarity of sound and quick precision of effect: a whole treatise in 12 luminous minutes. The Arditti Quartet excelled themselves.

WNO's summer tour

Welsh National Opera's final tour of the 1981-82 season opens in Cardiff on May 18 and includes visits to Bristol (June 1-5), Birmingham (June 8-12), Llandudno (June 15-19), and Mold (June 23-26), with new productions of *Katya Kabanova* and *Don Giovanni* and further performances of *Tosca*, *I Puritani* and *Fidelio*.

Katya Kabanova is the fifth in the WNO/Scottish Opera joint Janacek cycle. Elisabeth Söderström sings the title role for the first time in Britain and Rita Gorr returns to this country to sing the role of Kabanicha.

Saleroom

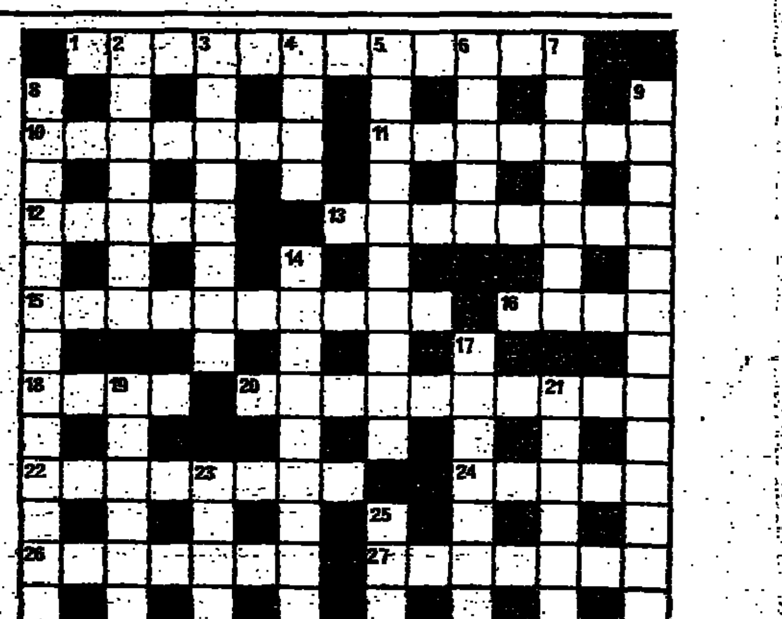
Record for Lautrec

The auction record price for a work by Toulouse-Lautrec was beaten twice in two minutes at Sotheby's yesterday. No sooner had his 1895 portrait of the Irish music hall singer May Belfort sold for £430,000 to the Lefevre Gallery of London than an American collector, bidding on the telephone, acquired "La toilette: le repos du modele" for £690,000. The previous best for the artist was £370,000.

The Impressionist sale did much better than the auction of 20th century paintings on Tuesday night when over 70 per cent of the lots were bought in. Another artist record price yesterday was the £130,000 for a bronze by Marino Marini. Other good prices were the £210,000 for "La reine du cirque" by Chagall; £180,000 for "Nu au bord de la mer" by Matisse; and £175,000 for "La muse," also by Chagall. Just under a third of the lots were unsold in value.

ANTONY THORNCROFT

F.T. CROSSWORD PUZZLE No. 4,837



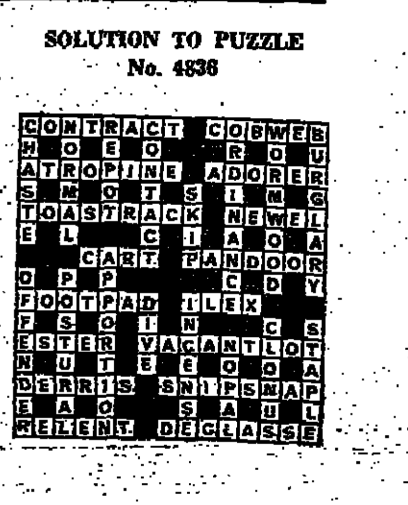
ACROSS

1 A strange visitor might mean a break with China (6, 6)
10 All set like a good type (5, 2)
11 One with special knowledge rides in in some way (7)
12 The seat of learning (3)
13 German with a Scot's boots (9)
15 To make the sentence longer could be dead casual (3, 1, 6)
16 A bird—she owns it (4)
18 Money to be made from old Ibsen plays (4)
20 To welcome a Russian agency inside is a considerable advantage (5, 5)
22 You are lost if you do this (8)
24 Organised effort leading to the House (5)
26 "They say — and the Lizard keep" (Omar) (3, 4)
27 Played by a Greek angel? (7)
28 Political opponents land a double (4, 3, 5)

DOWN

2 Give assistance applied about the finish (4, 3)
3 To bring a criminal charge about the engineer is devious (8)
4 Correspond to scouts at the other university (4)
5 No planet for an established celebrity (1, 5, 4)
6 Suits people under medical treatment (5)
7 More formality for a communist on record (3, 4)
8 Integration in the minstrel show (5, 3, 5)
9 An epic start to a stage play (4, 3, 3)
14 Famous vessel recalled in Africa (10)
17 Brigands forbid what sounds like a song (8)
19 Men fit for a well-known biographer (7)
21 Strange chaps in a plant (7)
23 "The robbed that smiles steals something from the —" (Othello) (5)
25 Sharp letter to the Yard (4)

SOLUTION TO PUZZLE No. 4836



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Britain and France

IT IS a terrible irony that at the very time when the case for West European unity has never been stronger Britain and her partners—and in particular Britain and France—should again be quarrelling about the Common Agricultural Policy and the size of the British net contribution to the Community budget.

To reduce the matter to its literal absurdity, the Community is behaving as if the issue of subsidies, or the lack of them, to a collection of dairy farmers is more important than everything else that ought to bind Europe together.

Co-operation

Of the need for unity there can be no doubt. The direction of policy in the U.S. is uncertain. No one can possibly know what will happen in the post-Brezhnev period in the Soviet Union. The old familiar landmarks have gone: there is no longer much discernible East-West or North-South dialogue. Western Europe is, or could be, an area of democratic stability in a fickle world—of no great military power, but of considerable economic weight.

There is a particular reason why this should be understood in Britain. The old options—whether the Commonwealth or the special relationship with the U.S.—are out. If Britain is to exercise much influence beyond her shores, she will have to do so through the European Community.

Progress

It is ironic again that the quarrels over the CAP and the budgetary contributions should have broken out when so much other progress is being made. Europe is now, in the language of the early 1970s, beginning to speak with one voice. Political co-operation within the Community has become a fact. Whenever there is international turbulence—over interest rates or Central America—the European capitals turn to each other for consultation. It is that invaluable process which is being jeopardised by the disputes over farm prices and budgetary contributions.

President Mitterrand and Mrs Thatcher are thus playing a dangerous game for relatively low financial stakes—say about £500m a year. At the heart of it seems to be some almost incurable Anglo-French rivalry which precludes the two countries from working harmoniously together within a larger community. In the end, petty nationalism breaks out, whether of the French or the British variety.

Problem

This is a problem which can be resolved only from the top. It requires both heads of government to apply their minds to improving Anglo-French relations for the sake of the wider good. The point that they have to remember is that the issues which divide Britain and France are much smaller than those which unite them and which could unite the rest of the Community.

The fact is that the CAP, as it now works, does not suit Britain because of the country's relatively small agricultural work force and traditional dependence on food imports. The original principles—of greater agricultural self-sufficiency, aid to get inefficient farmers off the land, indeed a genuine common market—are irreproachable. But that is not how it has come out. The CAP now subsidises surpluses and takes a disproportionate amount of Community spending. It is doubtful in the longer run whether that is in the interests even of France.

Bilateral

If the French now want further to subsidise their farmers by national measures, the British should agree. It is a "holier than thou" approach to argue that it is against the rule of the Treaty of Rome. Equally, the British might threaten to withdraw from the CAP altogether since participation breeds such disputes. The best solution of all, however, would be for the British and the French to resolve that between them they are endangering far more important goals and to settle their differences in a series of high-level bilateral meetings.

Strange fall of the Japanese yen

BEHIND THE earnest discussion of Japanese non-tariff barriers, European import quotas and American moves towards "reciprocity," the problem of the undervalued Japanese yen looms ever larger as a major cause of trade tensions between Japan and the West.

Yesterday the yen weakened further in London to Y248 to the U.S. dollar. Japanese officials say that the rate should stand at Y200. Exchange rate analysts say that the yen could strengthen considerably more than that without making the Japanese export machine uncompetitive.

Anxious

At the current rate of exchange, a 1.6 litre saloon car costs roughly £2,500 in Japan, £3,500 in the U.S. and £4,500 in the UK. While many different strands are woven together here—transports costs, dealer mark-ups, taxes—this bald comparison shows how the international price mechanism fails to restrain Japanese exports and throws the onus on to protectionism and self-restraint.

How has the price mechanism failed? The Bank of Japan is anxious to dispel notions that the Japanese Government is somehow engineering a weakened exchange rate. Yesterday the bank sold an estimated $200m to support the yen, *rapidly boosting support* buying which has been running at a rate of about $750m a month in the first quarter. The ministry of Finance has also raised Japanese interest rates a little.

Opposites

The heart of the problem is the heavy outflow of capital from Japan which offsets the country's inflows on trade account. Part of this outflow reflects the lifting of exchange controls at the end of 1980 (it is an irony that this "liberalisation" was urged by the U.S.). Part of it derives from the way the sparkling export performance expected of Japan by domestic and foreign investors is endangered by global recession. Investors fear that Japan has stood so tall that it must fall that much harder.

But the key element is U.S. short term interest rates which stand at 16 per cent where Japan's are 7 per cent. Such a disparity, with the weaker currency bearing the *lower* interest rate, is a measure of the divide which separates the two economic cultures.

Action

On the U.S. side stiff monetary control relies entirely on the price mechanism, the cost of borrowing. The propensity to save is low. Since all American borrowers get tax breaks, but savers do not, the real level of interest needed to hold the money supply in check is artificially raised.

On the Japanese side, all the opposites hold true. Monetary restraint depends significantly on credit rationing rather than on interest rate levels. The propensity to save is high. Savers get a substantial amount of tax freedom, but borrowers cannot set-off their interest against tax. The Japanese interest rate level thus remains inordinately low when compared with that of the U.S.

The Japanese authorities are now taking action to curb the *inevitable tendency of Japanese* investors to move towards the U.S., and for foreign borrowers to move towards Japan. Issues of yen bonds by foreigners are being restrained. The sale of "zero coupon" foreign currency bonds to Japanese savers has been stopped. These bonds have been popular because the Tokyo Government is now moving to limit tax breaks to Japanese savers, something which will itself tend to push the Japanese interest level upwards. Exchang controls are being discussed as well.

Improve

Perhaps the U.S. should take matching steps. By reducing the right of American borrowers to deduct interest payments from taxable income, Washington could improve its budgetary *position and lower interest* rates. Currency market intervention could help as well. Certainly a greater joint emphasis by the two governments on causes of, and cures for, the "yen problem" could do more for trade relations between Japan and the West than wrangling over the fairness of their trade.

HARVEY-JONES AT ICI

An altogether unusual chairman

By Sue Cameron, Chemicals Correspondent

JOHN Harvey-Jones, who today takes over from Sir Maurice Hodgson as chairman of Imperial Chemical Industries, reflects wryly that he is portrayed as "a mixture *between the mad axeman and the mad mullah.*"

He says it with a chuckle, implying that such ideas are quite nonsensical. Yet there is at least a grain of truth in the description.

He has certainly made no secret of the fact that he wants to take an axe to some of ICI's businesses and to its cumbersome management structure which has been suffering from "creeping centralisation." He is also determined that the group should be faster on its feet in reducing its dependence on UK sales and expanding overseas.

He has ambitious plans for "buying market position." Acquisition is made "more likely" by low-growth-rate projections. Only in areas like pharmaceuticals and agrochemical plant protection is there "plenty in the pipeline to maintain high growth rates from our own, internal innovation."

He is too open and too lacking in bigotry to deserve comparison with the average mullah. But he has something of the fervour and the introspection that is more commonly associated with a religious leader than with a captain of industry. And he is frightened of the impact his new-found power may have on him.

"I try to be self-analytical and self-critical," he says. "I am frightened of certain characteristics developing. I'm not enamoured of the effects power can have on people. I don't want to be changed by power. I am frightened of believing my own publicity, though I don't think I seek it."

Then his mood lightens and he adds with a grin: "I just seem to bloody get it."

He says that if he has a vanity it is "to be honest." He suggests that perhaps openness is "an unusual ICI trait." But then John Harvey-Jones is an altogether unusual chairman for ICI.

The group, which had sales of £6.581bn last year and pre-tax profits of £335m, is one of the *world's largest chemical groups.* It is Britain's biggest manufacturing company and traditionally it has been one of the soundest. It is certainly one of the most staid.

John Harvey-Jones did not join ICI until he was in his thirties. Educated at Dartmouth, he served in submarines during the Second World War and then learned Russian and German before joining Naval Intelligence. (References to Russian spies are guaranteed to produce brittle laughter from ICI's senior public relations officers.)

He left the Navy—with the rank of Lieutenant Commander—because he wanted to spend more time with his daughter, handicapped by polio.

"He is a superb manager of his time—and he always makes time for his family." commented one ICI manager. "Even if we have a business dinner that goes on into the small hours, he goes home to East Anglia afterwards. He doesn't stay in London. He doesn't like cities."

His devotion to his family is echoed in the deep concern he clearly feels for his employees. But it contrasts strongly with some other aspects of his public persona. He can be outrageously indiscreet.

At a Press conference in Brussels a few months ago he was asked why the recession had bitten so much harder in the UK than elsewhere. "Well," he replied cheerfully, "We've got Thatcher." The aside made headlines in some British newspapers the next day. A miffed Downing Street complained to ICI's Millbank headquarters and the company's horrified head of public relations rang Brussels to inquire how Harvey-Jones had been "allowed" to say such a thing.

He never expected to become head of ICI and he is said to have been "shattered" by his appointment to the chairmanship. Bill Duncan and Bob Haslam—the two other candidates for the job—were both much more in the ICI establishment mould. Yet Harvey-Jones was a popular choice within the company. There was a widespread feeling that ICI needed more drive and initiative at the top.

In the third quarter of 1980 the company was forced to declare its first ever loss. Since *then its manpower and its product* areas have been stringently pruned. But it has been hard hit by the depth and length of the recession in the UK, where it still has 60 per cent of its assets and 42 per cent of its sales.

And *it is still heavily* committed to petrochemicals and plastics, where West European overcapacity has been running at well over 30 per cent and where prices are appallingly weak.

"We must hack," cries John Harvey-Jones, shaking his head sadly in recognition of the human cost that will be involved. But the words are nonetheless delivered with some relish.

Although he talks of the "strong likelihood that we will pull out of certain businesses," he refuses to say which.

"I'm not going to hold out a ruddy great flag," he says. "If I did that my people would become demoralised and my competitors would get my customers for nothing.

A withdrawal from large parts of its polyethylene plastics business has long been rumoured as a likely move for ICI. But it seems that Mr Harvey-Jones is determined to stay in one of the other major plastic raw materials—PVC.

"There must be a shake out in PVC," he admits. "We are being damaged in that sector. But there is no reason to think we are suffering disproportionate losses. We saw chlorine derivatives as something we wanted to be in" (chlorine is one of the raw materials for making PVC).

"Today we have unique technology in chlorine. We have good technology in VCM"—another of the raw materials used in making PVC—"and we are working like hell on PVC technology."

He says that in the general field of European petrochemicals and plastics "only time will tell. With a miltiant gleam in his eye, he adds, that the "forces of attrition will bring more shutdowns in European chemicals over the next year or so."

A heated internal debate is currently going on within CEFIC—the European Council of Chemical Manufacturers' Federations—as to whether the industry should allow the forces of attrition to sort out its overcapacity problems or whether it should ask the EEC to work out a solution. Mr Harvey-Jones is generally on the side of market forces, red in tooth and claw. But he admits there are drawbacks to this approach.

"There are at least two European countries—Italy and France—where the forces of attrition won't work," he says. "The French and Italian Governments have very substantial interest in their chemical industries. And rationalisation will only happen there as part of a general political deal—as it did in fibres."

(It was he who masterminded ICI's dramatic cutback of its fibres business.)

In sudden defence of his own industry he points out agressively that "half the oil refineries in Europe need to be shut down." But adds morosely: "To say nothing of bums who build extra ethylene plants and of governments who support them."

The "bums" he has in mind are Shell and Esso who are currently building a 500,000 tonnes-a-year ethylene plant—ethylene is the so-called building block of the petrochemical industry—at Mossmorran in Fife. And the government he finds so unimpressive is the present UK Conservative Administration which is believed to have given Esso Chemical a special, 14 year tax deal on the North Sea ethane gas raw material that it needs for the £500m Mossmorran project.

Mr Harvey-Jones has no intention of limiting his axe-work to ICI's great, heavy chemical satrapies. He intends also to strike at the group's "overmanaged and overmanned" centre.

"One thing I'm ready to divest myself of is Thames House South," he says, gesturing to the huge office block next to ICI's headquarters at Millbank.

"Actually," he confides, "I'd love to get rid of Millbank. If I end up with the smaller Board and the smaller range of central support staff that I'd like, then I think it would be difficult to see the need for ICI to stay in a building of this size."

He would like ICI's management structure to be altogether sleeker and more open. At present the group has a sizeable main board and each of its powerful UK divisions has a board of its own. Major foreign subsidiaries, such as ICI Americas and ICI Australia, are headed by influential chief executives.

The machinery is held together by a series of top level—and sometimes inter-disciplinary — committees. The chairman is officially *primus inter pares* but much of his power derives from the fact that he alone has the right to sit on all the committees.

John Harvey-Jones maintains that change "has to start from the top." Furthermore, he believes that "people have a right—indeed, a need — to know what the Board is doing and how and what the time scale is going to be." He sees no reason whatever why the Board "should be a total mystery."

He envisages a three tier structure that will be tighter and more flexible. Down at the sharp end will be the 500 or-so separate businesses that ICI runs.

Above them will come what are now the divisional Boards. But their responsibilities will be less narrowly channelled than at present and their task will be to act as "way stations" between a comparatively diverse range of individual businesses and the main Board. The main Board itself will deal with overall strategy.

"Most of the things I want to do will not be radical changes," he says. "There will just be differences in speed and style." But then, belying his words, he adds: "ICI has been too concerned with risk minimisation. I'd like to see more opportunity optimisation. I'd like to see us taking more risks.

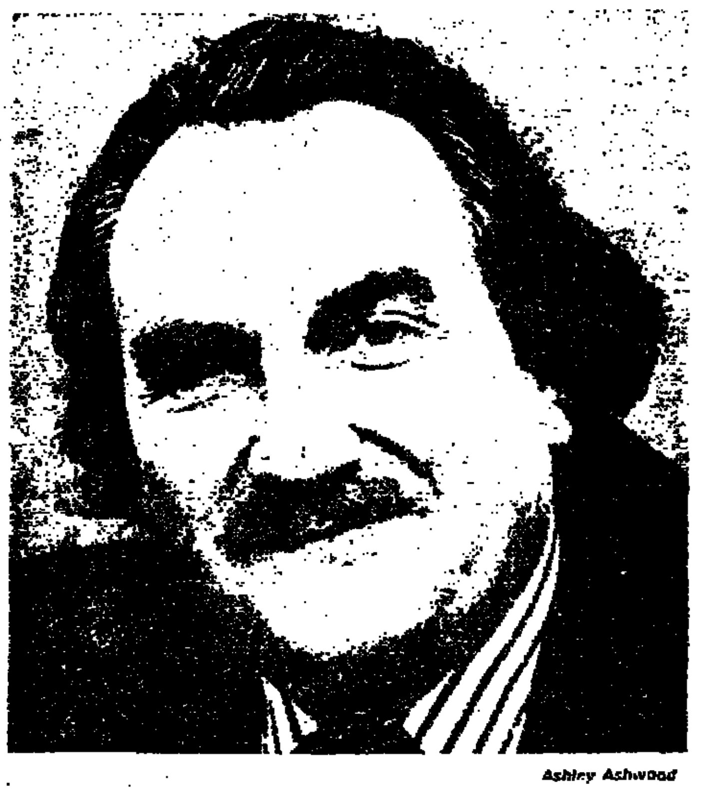
"The objective has to be for ICI to be the best chemical company in the world. It may sound arrogant, but I think we can be. We must certainly get as close to that as possible. But we can't do it on 5 per cent of the world market. The UK is our technical base. Our problem is to harness that UK technical base to world market opportunity."

He stands up and gazes out for a moment over the Thames. "I've got five years," he says. Then he turns back and adds with some passion: "I've not got some chart on my office wall showing rows of heads that have to be axed, you know. What is needed is leadership. You have to lead people—you can't drive them. We can see that if we *look at British Rail.* We have to keep people's confidence in the fact that we can—and must—win."

ICI currently has eight UK-based divisions: Agriculture which employs 7,000 people; Fibres—6,000; Mond—13,000; Organics — 7,000; Paints—4,500; Petrochemicals and Plastics—16,000; Pharmaceuticals—3,500; Plant Protection—1,600; Nobel's Explosives (not strictly a division)—3,000.

The group's main foreign subsidiaries are: ICI Australia, the biggest chemical company in Australia, employs some 12,000 people and had 1981 sales of A$1.265bn; ICI companies in India, which make up the biggest chemical company in India, employ 12,000 people and had sales of £175m last year; ICI Japan, the biggest non-oil UK company in Japan had 1981 sales of £200m and has 300 direct employees; ICI Americas, 27th largest chemical company in the U.S., employs 5,600 people with sales last year of $800m; ICI has a 73 per cent holding in C-I-L or Canadian Industries, which is one of Canada's top three chemical companies and employs 9,000 people. It had sales last year of C$1.15bn. ICI employs 1,400 people at its Millbank head office. The total number of UK employees—including those in ICI subsidiary companies—is around 74,000. The above figures are all approximate.

ICI also has seven general managers responsible for such things as personnel and investments.



Ashley Ashwood

Mr John Harvey-Jones: can be indiscreet.

WORLD'S TOP TEN 1981

	Sales	Change	Net profit (loss)	Change
	$m	±%	$m	±%
Hoechst	14,109†	+9.6	282	−14.5
BASF	14,071	+7.1	182	−42.0
Bayer	13,801†	−20.7	370	−67.8
ICI	13,687	+5.9	311*	−71.6
Du Pont	13,652	+8.6	716	−23.7
Dow Chemical	10,626	+14.8	805	+2.7
Union Carbide	9,994	−8.9	890‡	−60.1
Montedison	8,372	−13.9	(482)	—
Exxon§	8,228	−23.1	402¶	−11.8
Shell§	7,633	−2.5	(57)¶	—

† Sales include only 50% of 50%-owned associates; other data based on balance sheet totals. * Before extraordinary items. ‡ Reflects change in accounting procedures. § Chemicals only, and excluding intersegment transfers. ¶ After-tax operating results.

Source: Chemical Insight

Men & Matters

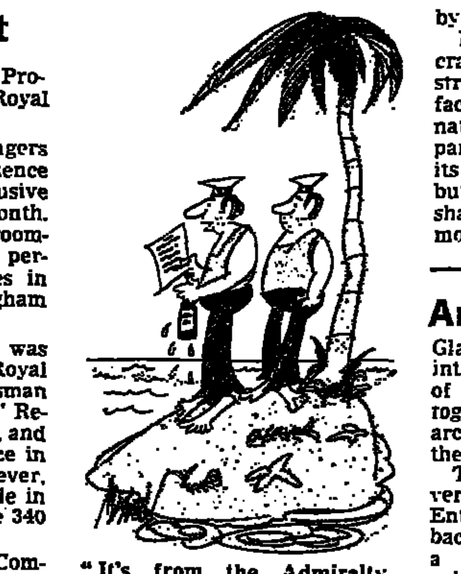
By Appointment

The Youth Opportunities Programme is to be given the Royal accolade.

Four unemployed teenagers are to begin a work experience scheme at the most exclusive address in the land this month. The lucky lads will be grooming the Royal horses and performing other stable duties in the Royal Mews at Buckingham Palace.

Asked why the scheme was being introduced into the Royal Household, a Palace spokesman told me: "It's a good idea." Redundancies have been made, and are continuing, at the palace in an effort to cut costs. However, no staff cuts have been made in the Royal Mews where some 340 people work.

The Manpower Services Commission hurried to add last night that the scheme has been given the seal of approval by the civil service unions. "The young people will not be used as substitute labour. There will be an element of comprehensive training in the Mews" was the reassuring comment of an official. Pass the bucket and shovel, Phil.



"It's from the Admiralty, *we're to swim to the Falkland* Islands immediately!"

Touch-down . . .

Jack Gill, who was flying back to Britain from the U.S. yesterday, seems to be landing on his feet.

True, the erstwhile managing director and deputy chairman of Associated Communications Corporation has not yet secured his record £560,000 compensation or the option to buy his company - owned home at *£109,000* below market value.

But he has got another job—as deputy chairman and financial director of Home Video, a young but apparently lusty company in the rapidly growing video field.

The entertainment offered viewers by Home Video includes Adam and the Ants in concert, an Engelbert Humperdinck show, and, for more sophisticated tastes, "Helen, Queen of the Nautch Girls" and "Mahatma and the Mad Boy."

After lengthy negotiations, Gill's service agreement is now being drafted. But the company is reticent about the overall package. Salary? No comment until a later date. Chauffeur-driven car? No comment even at a later date.

. . . and take-off

Quite by chance, ACC's new boss, Robert Holmes à Court was talking in Perth yesterday about the changes in the company's lifestyle, and listing for *reporters the assets he has sold* — a Lotus car, a Cadillac, a Rolls-Royce, a luxury yacht, and an executive jet.

"We at Bell Group don't go in for flamboyant trappings," said Holmes à Court, demonstrating the fact by arriving without even a suitcase. "ACC in the past has been very flamboyant and my group is austere by comparison."

But economies would not cramp ACC's ambition, he stressed. The challenge he faced was to build an international media company. "As part of this, ACC will expand its film production and distribution activities in the U.S. We shall also be looking at possible moves into Australia."

Arch finance

Glasses were lifted and toasts intoned by a fair representation of London drinkers squeezed together under the railway arches on the South Bank of the Thames last night.

The Archduke Wine Bar, the very first client of the London Enterprise Agency (LentA) back in 1979, was celebrating a successful run which has culminated in the occupation of a second arch.

Liz Philips, who owns and runs the bar—a favourite with visitors to the nearby arts complex—went to LentA with her idea on the day the agency opened. Within a week she had been fixed up with £40,000 in loan and overdraft form after an introduction and recommendation to the Midland Bank's Business Banking Unit.

In her first year she beat her turnover target by 250 per cent and went on to win a Civic Trust award for her skilful conversion of the arch to the appreciation of wine.

Now, far from needing financial help from LentA, she is an investor in their schemes enabling people to put capital into new business projects.

Fond parent

Technically speaking Britain's 730 serving industrial robots (at the last count) cannot be said to have a father, I suppose. But one man can fairly be called the father of the British robot business.

He is Douglas Hall, aged 66, who is widely regarded as having started the business back in 1966 by making and selling a simple but effective machine when he was with Hawker Siddeley Dynamics.

At an age when many men have put their feet up, Hall has just relinquished management of the robot manufacturing company he founded, Hall Auto*mation*, and is *starting* upon a more free-wheeling career developing the steel babes.

GEC bought Hall Automation 28 months ago and Hall's management contract was due to run until the end of this year. But GEC has rationalised production by *moving the company* from Watford to Rugby where it will come under a GEC umbrella known as FAST—Factory Automation Systems Technology.

Hall was reluctant to move and chose to leave early by agreement with GEC. He will now divide his time between developing the British Robot Association, a body for robot makers and users which he helped found, and acting as a consultant on robot affairs.

Although Britain's serving industrial robots are still few in number, Hall insists they are among the best available anywhere and they are all what he calls "proper robots" . . . that is "they are multi-access reprogrammable intelligent machines."

Easy game

The Chinese have produced a simple-to-catch super carp fond of worm and hook. The North-West Water Authority is now conducting what it claims are "experiments" on behalf of British anglers.

My chap close to rod and gun hopes to turn up evidence of similar advances in the breeding of a three-legged rabbit, and a fox that simply adores men in pink coats.

Observer

هكذا من الأصل

ECONOMIC VIEWPOINT

Why M Thorn may have a point

By Anthony Harris

IN LAUNCHING the anniversary deadlock of the EEC this week the president of the EEC Commission, M Gaston Thorn, called for increased public sector investment in the Community in order to reduce unemployment.

Since this view is likely to be supported by his predecessor in Brussels, Mr Roy Jenkins, who may have a say in the policy of a future British Government, and also appeals to one wing of the Conservative party, it is worth examining the economic case for it, so far as it applies to the UK.

Is this a misplaced attempt to revive Keynes in a humanitarian cause; or is there a sound argument for public investment as economically justifiable in its own right?

If we look at the balance sheet, rather than simply the current account of the public sector, it is easy to show that something has gone badly wrong with the management. In the early 1970s the public sector was responsible for about a third of the saving in the economy, and some 40 per cent of the investment. (The concept of public sector "savings" is explained later in the article). By 1979 the saving had fallen to about a tenth of the total, and the investment to about a third; there was far more borrowing to finance far less investment.

As the merchant bankers Morgan Grenfell argued in a recent circular, this may help to account for crowding out in the financial markets; and inadequate investment is particularly worrying when the Government has launched indexed public sector securities, which guarantee a real return to savers. Guaranteed borrowing with no matching creation of assets is the road to bankruptcy.

However, such measurements can prove deceptive at a time of rapid inflation and rising interest rates, for they take no account of the "inflation tax," which enables government to borrow while reducing their real debt.

As I suggested in a recent discussion of indexation, the real world is in many ways easier to understand if these distortions are removed. Essentially, the inflation correction must make allowance for the loss of real value suffered by private savers, and transfer this to public sector "saving."

It is interesting that indexation of the national debt will have just this statistical effect: savers will receive a real 2½-3 per cent return, rather than a notional 13 per cent or so, and public expenditure on debt service will be reduced. In real terms private savers will be better off, but statistically we will see a sharp fall in personal saving, and a rise in public sector saving.

If we make a rough correction, giving savers a notional 3 per cent return rather than the interest actually paid—which is incidentally the adjustment Greenwell and Co have long made in measuring the *budget stance—we get a picture of public sector saving and investment over recent years which looks like this:—*

At 1981 prices	Public sector saving £bn	Gross capital formation £bn
1976	12.3	20.8
1977	14.5	16.5
1978	10.3	14.5
1979	11.9	14.2
1980	11.8	14.1
1981	14.4	12.1

As can be seen, investment has been falling rapidly in real terms ever since the 1976 crisis, which launched the endless series of efforts to cut public spending; but saving, in real corrected terms, is stable.

This snapshot does suggest that it is the cut in investment rather than any real change in the public sector's current balance which is a cause for concern; and a further adjustment makes this clearer. If we deduct depreciation, stock appreciation and write-offs, as a sound balance-sheet should, then it turns out that the public sector has not been saving or investing at all.

Simply allowing for depreciation and stock appreciation in the nationalised industries reduces the apparent annual *saving by half, and the investment last year to about £5bn.* If we further allow for the *decay in assets outside the* nationalised industries—roads, housing and the public services *—the numbers appear to turn* negative. The figures in the National Income Blue Book *suggest that the public sector* net capital stock was falling by about 1 per cent annually between 1976 and 1979, and the decline has certainly accelerated since then.

M Gaston Thorn (left) after taking over the presidency of the European Commission from Mr Roy Jenkins.

A national debt which is growing in real terms . . . is backed by a shabby and shrinking portfolio of assets

In short, we are running down the public sector—and in many cases running up bills which will have to be met at some time in the future, to rebuild sewers and roads, and bring the housing stock back into tolerable condition. A *national debt which is now growing in real terms, after its rapid decline up to 1976, and seems bound to grow faster now* that real interest rates (indexed or otherwise) are positive, is *backed by a shabby and shrinking* portfolio of real assets. Equity holders in Great Britain Ltd, that entity so loved by those who preach sound finance, should clearly demand a sharp rise in both public sector saving and public sector investment.

This sounds like bad news—a call for higher taxes to transfer resources to the public sector; but it is not. For as Morgan Grenfell point out, arguing from the soundest of banking principles, *an increase in investment will itself raise saving in the public sector.*

This statement is at first sight so startling that it needs explaining and on analysis it turns out to get us back from the world of debt and balance sheets to the world of M Thorn, in which resources are idle and should be put to use. It is true simply because resources are idle.

This becomes clear as soon as you remember what is meant by public sector "saving." It does not mean a financial surplus; it means simply a surplus of current income over current expenditure. The distinction between current and capital spending was dropped for budgetary purposes in the early 1960s but it lingers on as a statistical ghost in the measurement of public sector saving.

Now when resources are idle, an increase in spending on capital account—"below the line," as it used to be called—produces an improvement in the current public sector balance. Some of the spending comes back in the form of increased revenue, and there is also a large saving in social spending on unemployment.

This is simply a reflection in the national accounts of a very widespread commonsense idea—that it is better to pay people to do something constructive than to do nothing. That is why the economists at Morgan Grenfell—and many others—would like to revive the traditional *line between capital and current spending,* as an aid to clear thought.

My own feeling is that such a revival could cause as many problems as it would solve. First, it fudges the essential point that the arguments are partly cyclical—the financial as well as the real cost of investment is low only when resources are idle.

Secondly, the existence of a "line" might be taken to sanctify a waste of resources in such "investments" as Concorde, or an expansion of the steel or electricity generating industries far ahead of any likely demand on them.

However, the problems of managing an enhanced capital budget sensibly would be a welcome change from the problems of squalor and unemployment which result from refusing to think about them at all. The problem is not so much whether it makes sense to take M Thorn's advice as how to ensure that we do not court new problems as bad as the old.

The Government has in fact already armed itself with the most important potential weapon against mismanagement: indexed finance, properly administered, offers a far better test of investment projects than arbitrary cash financing limits imposed in Whitehall. No project credibly promising a recent margin over the cost of such finance should be banned for other reasons—though the projections of future returns should, of course, be examined most suspiciously. This means that housing authorities and public corporations should have access to indexed finance—and therefore, most urgently, that the tax disincentives to private borrowers should be removed too.

A second important test is the cost of the assets. At the moment, for example, the real cost of construction work is extremely low—this is a further reason for a drastic underspend by local authorities. Properly administered cash limits—still necessary for spending outside the market sector—would dictate a rise in real spending.

Would such a rise in public investment intensify crowding out and raise interest rates? To some extent, it must. The return on indexed instruments might well be driven up from the present 2½ per cent to a historically more normal 3 per cent or so. But any increase in borrowing would be small, because of enhanced revenue and reduced social spending—almost invisibly small, according to some users of the Treasury model.

The main effect might be through any impact on interest rates of some revival in activity; and at a time when U.S. interest rates are rising because activity is falling, and so enlarging the Federal deficit, this effect is pretty questionable.

The arguments still support M Thorn; public investment is too low by any test, balance sheet or cyclical (and indeed the fall since 1976 looks like a major explanation of the present slump), and the costs of restoring a sensible level would fall far short of the benefits.

Lombard

EMS heads for devaluations

By David Marsh

THERE SEEMS to be something about the autumn which encourages the French to drop tantalising hints about international monetary initiatives. By the following spring, the plans nearly always seem to fade away in an April mist.

Former President Giscard d'Estaing played the card during the run-up to the establishment of the European Monetary System in 1979. The new scheme, while worth while, turned out certainly to be no more grandiose than the "snake" that had gone before.

He was at it again in late 1979, promising to unveil by the June 1980 summit in Venice elaborate proposals to curb international monetary disorder. By the summer the idea had vanished — the world had simply become more disordered.

Now, the new Socialist government seems to have caught the bug. For some months, M Jacques Delors, the French finance minister, has been dropping dark hints about a "European solution" to high and fluctuating U.S. interest rates.

This time, however, the answer to the problem is a little easier to see — and will probably become even clearer over the next few months. In a word, it's called devaluation.

Belgium started the ball rolling by railroading its EMS partners into accepting an 8.5 per cent devaluation of its currency in February.

Not only was it the largest parity change yet agreed in the three-year history of the EMS. But much to the chagrin of the rest of the EEC, the Belgians let in a horde of Press photographers to witness the event.

With inflation in France and Italy running at roughly twice the Belgian level, the Brussels step could only shift speculative attacks towards the other most vulnerable members of the system—the French franc and the lira.

By taking various defence measures, France has so far resisted the onslaught against the franc which boiled up a fortnight ago. M Pierre Mauroy, the Prime Minister, said last week that the other EMS members have told him that a franc devaluation would be absurd, while M Delors has said he is losing no sleep over the matter.

Statements designed to show the relaxed frame of ministerial *minds unfortunately only serve* further to moisten the lips of devaluation-hungry predators *out in the foreign exchange* jungle. It is a fair bet that France will later this year be *forced to accept another* "adjustment" of the franc. If it can be delayed until the *autumn (like last year),* and presented simply as another realignment — involving the *Italians, Irish and everyone else* —then the Socialists will not lose too much political face.

The larger question however is whether a devaluation would be such a bad option. At a time *when oil prices are falling,* lowering a currency's value no longer unleashes the same inflationary impulse so feared during the past two or three years.

Especially if the French *Government, by toning down* wage indexation, can push through domestic anti-inflation measures of the kind now being attempted in Belgium, devaluation might provide the way towards achieving the Socialist dream of economic growth in a high interest rate world.

During the last three years, governments have mainly fought to keep their currencies *high to ward off the inflationary* effects of rising oil prices. Now, the stage may be set for a *return to the more traditional* battles of competitive devaluation.

If so, the EMS seems due for a return to the frequency of realignments seen in the European "snake" during the late 1970s—once every six months compared with the rate *favoured by the Bundesbank (in an ideal world)* of once every two years.

Depending on whether competitive devaluation really catches on, the EMS might ultimately *suffer in a re-run of* another troubled phase of the 1970s, when the French twice *(in 1974 and 1976)* had to withdraw from the "snake" because they couldn't keep up with the Germans.

Letters to the Editor

Concern over farm prices proposed by the EEC

From the Chairman, Cake and Biscuit Alliance, and the Presidents of the Cocoa, Chocolate and Confectionery Alliance and the Food Manufacturers' Federation

Sir,—It is our view that for those products in structural surplus, such as sugar, cereals and milk, the increase in farm prices should be lower than is currently proposed. The proposed price increases for cereals, 57 per cent, are high in relation to the European Commission's stated objective of narrowing the gap between Community prices and those in competitor countries. A written answer by Mr Buchanan-Smith on December 22 1981 showed how substantial that gap was: £25, £28 and £40 per tonne for wheat, barley and maize, respectively.

The Commission's claim that its present proposals would narrow the gap appears to rest on a specious comparison between the EEC intervention price and the U.S. target price. A comparison however with the U.S. regular loan rate, which is the accepted point of reference for cereal prices, shows that for maize at least the Commission's proposals will actually widen the gap by as much as 5.09 ecu/tonne.

The increase of 9 per cent proposed for sugar is the largest increase for any arable crop, and we find it difficult to understand how the Commission can put forward such a proposal, when the Community's sugar production in 1981/82 is estimated at a record level of over 15m tonnes, of which about 6m tonnes will be surplus to the Community's requirements and will have to be stored and exported at heavy additional cost to the British consumer.

As food manufacturers we have made an important contribution to slowing down the rate of inflation. Wage settlements in our industry have been considerably lower than the rate of inflation and our prices, annualised over the last 6 months, have only risen by 4.1 per cent.

If however, food manufacturers are going to continue to play a part in reducing the rate of inflation in this country, the level of farm prices currently being proposed by the EEC Commission must be reduced. If this cannot be achieved, we must urge the Government to revalue the green pound by at least 4 percentage points.

W. A. Palmer,
R. N. Wadsworth,
J. A. S. Cleminson.
c/o 11 Green Street, W1

Eccentric system for apprentices

From the Director, Croydon Chamber of Commerce and Industry

Sir,—I refer to your report (March 29) on the lecture by Sir James Hamilton, Permanent Secretary at the Department of Education, to the Council of Engineering Institutions.

While it may be true that signals may not be right between employers and the other interested parties, it would be unfortunate if the final paragraph on apprenticeships were taken to imply that the employers are responsible for the present eccentric system. *It is the* trades unions, through wages councils, that lay down that an apprentice is paid a rate *according to age* rather than length of training. The effect of this is that many employers have come to regard 17 as too old to take on an apprenticeship, when they have *to be paid 60 per cent of the* skilled rate.

P. P. Manvell.
The Croydon Chamber of Commerce and Industry,
Commerce House,
21, Scarbrook Road,
Croydon.

Smaller firms and large tenders

From the Director for Smaller Firms, Confederation of British Industry

Sir,—Robin Pauley comments in his article on inner cities (March 26) that the Property Services Agency has not looked at the possibility of breaking large contracts down into manageable parts to give smaller firms a realistic chance of tendering successfully.

The CBI believes that this possibility should be investigated and, indeed, has already suggested to government how this might be done. We have also urged that an examination should be made of the ways in which groups of smaller firms might collaborate to offer a package of goods and services when tendering for large contracts, without infringing restrictive trade practices legislation.

We shall certainly continue to press our case in this area, on the grounds that the flexibility, competition and innovation provided by smaller firms makes them an essential element in the economy as a whole and in the realm of public purchasing in particular.

Sonia Elkin.
CBI,
Centre Point,
103, New Oxford St, WC1

Capital gains tax

From Mr P. Gormley

Sir,—I refer to the correspondence in your columns on the Chancellor's proposal to "index link" capital gains from April 6 1982. Could I draw the Chancellor's attention to one particular problem area in implementing "indexation"?

The problem relates to agricultural land in Northern Ireland. The price of this has been extremely volatile in recent years—at the peak three years ago, prime land was worth £3,000-£4,000 per acre, whereas now it would realise £1,000-£1,500 per acre. Selection of "market value" at, say, April 6 1982 might well reflect an unnaturally low base value for tax purposes, with the result that strict index linking would not give the necessary measure of relief from tax on inflationary gains.

The problem is not unique to agricultural land, but extends to a number of other assets such as paintings or jewellery where "market valuations" fluctuate from year to year because of variability of supply and demand. Some special measures may well be required to cater for them.

Philip G. Gormley.
Carnanbane,
Claudy,
Co. Derry

Availability of legal aid

From the Chairman
British Legal Association

Sir,—Mr Whitelaw is, it appears (March 27), applauded over law and order while Mr Kenneth Livingstone claims the right to ignore the judgment of the Law Lords regarding the subsidising of London Transport. What the solicitor members of this association would like to know is what all our politicians propose to do in support of justice?

While the Conservative v Labour squabbles continue on worn out themes, the Government is proposing to further emasculate the legal aid scheme by reducing the availability of legal aid in the criminal courts which, whatever it does to the ratio of convictions in relation to charges brought, cannot promote justice, either for the accused (some of whom at least are innocent) or the defending solicitors.

Stanley Best.
29 Church Road,
Royal Tunbridge Wells,
Kent.

More konfused than before

From Mr R. Bullen

Sir,—*As Mr Connell (March* 29) seems to agree with Mr Griffin's interpretation of what "K" *stands for, I am quite happy* to concede the point and conclude that it carries a metric rather than a computing connotation.

If, however, "K" is the abbreviation for *1,000* metric units, and your latest correspondent refers to a kilogramme and Kilometre, I am more confused than before. After all, one kilometre is .621 of the standard British measure, the mile, whereas one kilogramme is 2.205 times the equivalent British unit of weight, the pound. Thus, is the recipient of the £15K salary to receive £9,315 or £33,075?

All in all, as the computing "K" is a precise number, albeit 2 to the power 10 and 1,024 is closer to 1,000 than either 621 or 2,205, I suggest that if continued usage is to be made of "K," we adopt the computer men's meaning.

R. C. Bullen.
29 Wood Ride,
Petts Wood,
Kent.

Aid is now a shop window

From the Information Officer, Christian Aid

Sir,—Mr Evan Luard (March 17) gives a concise summary of the failures of the British aid programme but he does not push home his main point, which is that most of our government development aid is now a shop window for British exports and foreign policy objectives, and not aid at all.

Aid as seen by the voluntary and church aid organisations is seed money — a way of launching small ventures or of helping a local community to become self-supporting. The UK Government has recognised that such aid-giving can be highly effective, and has made contributions towards it. But such contributions do not let it off the hook. British aid today barely touches the lives of the poor. It is high time that our overseas aid policy-makers made a real commitment to the poorest communities (not countries only) and thought up new ways of investing directly in the non-government sector.

John Montagu.
240-250, Ferndale Road,
Brixton, SW9.

Babcock down £1.2m on year but dividend held

TAXABLE PROFITS of engineering and contracting group, Babcock International, picked up to £10.63m in the second half of 1981, against £9.14m last time. But following the £2.66m midway reduction, full year figures were down at £14.07m, compared with £15.24m. The dividend, however, is unchanged.

Turnover for the year rose from £873m to £955.8m. At the trading level, profits were ahead from £25.83m to £27.56m, after similar redundancy costs of £3.47m (£3.51m).

Pre-tax profits were adversely affected by an increase in interest payable from £14.47m to £17.51m, which more than offset slightly higher investment income of £312,000 (£153,000) and associates contributions, £3.81m (£3.7m).

The directors say much has been accomplished during the past two years in strengthening the management of the group's businesses, improving profitability of the mainstream activities and eliminating loss-making operations.

The benefits of these actions will accrue this year, irrespective of any improvement in economic conditions, they state.

In view of the signs of improving prospects in a number of the group's businesses and also the current availability of sterling balances in the UK, the directors are maintaining the year's dividend of 7p net per share, with a same-again final of 3.6p.

Attributable profits, however, are insufficient to cover the payment in full. At this level, results dropped from £5.77m to £5.01m, after charging tax of £6.8m (£9.36m), minorities of £497,000 (£627,000 credit) and extraordinary items of £1.77m (£745,000). Stated earnings per 25p share were up slightly from 5.9p to 6.1p.

In current cost terms, the group made a pre-tax loss of £1.83m (£2.16m).

The value of uncompleted orders on hand at the start of 1982 totalled £1.32bn, compared with an opening position last year of £1.04bn. Contracts for power station work, chiefly overseas, continue to be the dominant feature of the order book, but the directors say there have been encouraging signs in recent months of improving demand in other areas.

All the group's boiler related businesses have a good forward work load to carry them through the year and each has existing potential to increase profits.

In the UK power group, work on the new orders for the AGR Components and Castle Peak B, together with the prospective contract for Wankie, Zimbabwe, will extend the base load for the Renfrew factory through to 1984.

Tendering activity in the mechanical and process plant contracting group has risen to a high level in recent months, but only the bulk materials handling equipment businesses are currently well placed with new orders.

The water engineering and process plant contracting divisions have low, but adequate work loads at the present time and prospects for filling the gaps in 1983 look reasonably good.

Most of the group's contracting companies based in mainland Europe have order books significantly stronger than a year ago. The FATA European group recently booked its first major Russian order for more than three years and confidently it expects an imminent revival of business in that country.

Prospects in some of the product businesses appear marginally better. Recent orders for construction equipment indicate a slight recovery in demand.

In the process control and electrical distribution businesses there is already a substantial workload for the second half, extending through 1983. The market for mining equipment is also currently more active.

In North America the economic outlook is unstable but following action taken last year, most group companies are now better organised to operate more profitably in the prevailing conditions.

An analysis of 1981 trading profits (in £000s) shows: UK power group 10,683 (8,442); mechanical and process plant contracting 2,998 (loss 706); construction equipment loss 941 (profit 1,836); industrial and electrical products 6,012 (7,139); overseas group 839 (4,443); North American group 3,363 (3,839); FATA European group 3,631 (826); and group miscellaneous income 878 (13).

Capital expenditure on new plant and facilities installed in 1981, or under construction at the year end totalled £31.4m. Of this, £20.7m related to assets in the UK, including £6.5m which was the subject of leasing arrangements.

See Lex

Croda on course for profit recovery

RESULTS FOR 1981 of Croda International, the speciality chemicals group which recently fought off a £68m takeover bid from Burmah Oil, have confirmed the first stage of its forecast recovery in profits.

Profits before tax for the year ended December 27 were ahead from £7.44m to £10.13m, in line with the board's estimates given in January as part of Croda's bid defence.

The group has already forecast another jump in profits this year to a figure of about £16m and indicated that given the right trading conditions, its 1983 results could approach £30m.

As indicated, the final dividend is being raised from 1.6p to 2.25p net making 3.75p (3.1p) per share for the year. Payments totalling 7p per share have been forecast for 1982.

Basic earnings per 10p share were up at 9.59p (7.04p) pre-tax, but down at 5.94p (6.74p) after. Fully diluted they were 8.7p (6.4p) before and 5.39p (6.11p) after tax.

Although external sales were little changed at £377.7m, against £375.8m, pre-interest profits showed an advance from £13.2m to £14.04m. The greater increase at the pre-tax level reflected lower interest payments of £3.92m (£5.76m).

Tax charges, however, rose sharply from £0.25m to £3.81m, of which the UK figures showed a turnround from a £1.01m credit to a charge of £1.83m. Extraordinary debits accounted for £2.18m (£1.75m), profits available to ordinary holders emerged down from £5.37m to £4.09m. The ordinary dividend absorbs £3.96m (£3.27m).

The extraordinary items included £0.55m relating to the costs of the bid defence—the balance of £1.63m (£1.75m) was attributable to plant closures.

A breakdown of sales and pre-interest profits shows: Croda Chemicals International £75.3m (£72.1m) and £5.39m (£3.17m); Croda World Traders £87m (£84.9m) and £3.01m (£1.23m); Croda Organic Chemicals £40.6m (£46.6m) and £0.58m (£2.96m); and Croda Polymers International £74.8m (£72.2m) and £4.23m (£4.9m). There was also a surplus of £0.82m (£0.94m) on disposal of investments and *properties.*

In current cost terms, pre-tax profits for 1981 were £3.64m (same).

See Lex

GRE up to £89m despite heavier underwriting losses

DESPITE underwriting losses jumping from £10.6m to £48.7m, Guardian Royal Exchange Assurance managed to improve slightly its pre-tax profits for 1981 from £87.1m to £89.1m.

Buoyant net investment income, which rose by 40 per cent from £89.4m to £125.7m, was boosted by more than £5m from income on the rights issue proceeds. Life profits were up from £8.3m to £12.1m—including a special £2.5m payout—and these just covered the higher underwriting losses.

A lower tax charge enabled after-tax profits to advance 17 per cent from £50.3m to £57.2m, with the earnings per share improving marginally from 35.5p to 36.5p.

Dividend payments are lifted by 13.9 per cent from 15.5p to 17.5p payable on the capital as increased by the rights issue.

Premium income worldwide grew by 19 per cent last year from £726.3m to £862.1m, the underlying growth rate allowing for exchange rates being around 10 per cent. The solvency margin at the end of 1981 was just under 63 per cent.

Premium income in the UK, which accounts for over 40 per cent of total business, increased by just over 10 per cent to £358.8m, reflecting keen competition. Underwriting profits were slashed from £7m in 1980 to just £500,000 last year. Good profits in fire, accident and motor accounts were offset by high losses in marine and overseas risks written in London.

Underwriting losses in Germany were reduced slightly from £5.2m to £4.6m, but losses in France jumped from £700,000 to £4.5m.

Australian and Canadian *results* were very poor, with losses in both countries rising threefold to £4.7m and £8.1m respectively. But this was in line with the market trends in those countries.

The U.S., in contrast to market trends, showed a slightly higher underwriting profit, up from £2.3m to £2.8m, justifying the group's policy of selective expansion in the Mid-West.

South Africa, after some years of good results, showed a substantially higher loss of £2.7m. The country had a high number of natural disasters, including three major floods, two large fires and a snowstorm.

The miscellaneous account showed underwriting losses trebling from £8.9m to £27.5m, with GRE's central reinsurance losses up from £4m to £19m.

The company reaffirmed its adherence to an expansion programme for which it raised £76m last July. The company had examined a number of potential *acquisitions but to date had not* found any which could meet its requirements at prices that were acceptable.

See Lex

HIGHLIGHTS

Out of yesterday's company results Lex looks at figures from Guardian Royal Exchange, Babcock International, Croda International and Weir Group. GRE lifted 1981 pre-tax profits by a miniscule £2m to £89.1m, but this small change disguises large movements in underwriting, which has been knocked for six, and investment income, which is severely hit. Despite this the dividend is being raised by 13 per cent. Croda achieved its forecast £10.1m, against £7.4m, taxable profit for the year but it looks as though the forecast of £16m for 1982 may prove something of a struggle. Babcock was much better than expected for the full year with an even more heartening cash inflow. The column also looks briefly at Weir, which seems to have successfully recovered from its plight of a year ago, and at BAT's £200m bid for Marshall Field, the Chicago department stores company.

Bowthorpe advances to £5.79m:

SECOND HALF taxable profits for 1981 of Bowthorpe Holdings rose from £4.06m to £5.79m bringing the total for the year to £11.4m compared with £9.05m. The annual turnover figure advanced from £54.84m to £63.94m.

With earnings per 10p share stated higher at 14.1p (11.5p) the year's net dividend of this electronic and electrical components group is being raised to 3.415p (2.961p) with a final of 1.894p (1.578p).

The pre-tax profits included a share from associates of £1.8m (£1.26m) and after tax of £5.63m (£4.24m) and minorities of £119,000 (£197,000) the attributable profits emerged at £5.63m (£4.61m).

The interim dividend absorbed £605,400 (£553,200) plus ACT of £260,743 (£237,086), and the final requires £764,278 (£631,200) plus ACT of £327,548 (£270,514).

CCA profits before tax were £9.48m (£6.66m).

● comment

Bowthorpe surprised itself in 1981. Pre-tax profits pushed ahead 26 per cent on sales 17 per cent higher, including some volume growth. Current cost profits did even better with a 42 per cent advance. The general business level for the group during the year turned out greater than anticipated. This added to the expected *benefits from 1980's cost cutting* —especially at the former troublespots of Paul Hellerman in West *Germany and* Bowthorpe EMP in the UK—and across-the-board growth in sales and profits maintained the 50/50 split of home and overseas *business.* Trading conditions are becoming tougher but the group is modestly confident for the current year: a *confidence* well supported by yesterday's 10p share price rise to 230p for a fully tax historic p/e of 17. However doubts persist over *the impact of the* Government's tighter defence spending on Hellerman Deutsch and the weakening economies of the third world OECD countries to which a large proportion of EMP's production is exported. But the group's cash position remains *strong and it has,* so far, proved itself able to adapt effectively to a changing climate.

ELECTRONIC RENTALS

Electronic Rentals Group has disposed, with effect from March 31 1982, of Swaziland Broadcasting, and Television Rental Activities, to the Swaziland Government.

ERG will continue to manage these activities for two years but will have no financial involvement in STBC and VHS from April 1 1982.

Strong recovery made by Weir

THE benefits of remedial measures taken by Weir Group, the engineer, and last April's capital reconstruction show through strongly in the 1981 results, with a turnround from *a loss of £8.25m to a pre-tax* profit of £8.3m, following an interim surplus of £3.08m, against a £2.42m deficit.

In addition a final dividend of 1.75p net brings the year's net total to 1.85p, no payments having been made for 1980, and the directors say the company is well placed to take advantage of any improvement in trade. Even if there is no such improvement, they state, current indications are that results this year *will be broadly similar to those* now reported.

Turnover for 1981 fell from £165.63m to £152.22m and profits were struck after redundancy *costs £1.37m (£2.8m), a loss from* the Polypac companies, sold last October, of £30,000 (£1.04m profit) and interest £4.77m (£7.35m). They included a higher share of associates of £2.98m (£618,000) and were subject to tax of £3.18m (£1.7m).

Minorities amounted to *£94,000* (£194,000) and there were extraordinary debits this time of £956,000 (£208,000).

Basic earnings per 25p share emerged at 15.9p (40.7p loss) *and fully diluted they amounted* to 10.7p.

The directors report that although UK markets are still depressed, productivity gains *and more favourable exchange* rates have allowed the operating companies to compete more strongly overseas.

In Weir Pumps, exports now account for nearly 80 per cent of an increased volume of new product sales.

For the foundries, UK trading conditions recovered slightly and this, with increased exports, produced a marginally better return than in 1980.

Weir Westgarth had a profitable year but obtained no major new contracts for desalination plant. To reduce its dependence on the desalination plant market the company is expanding its operations as an engineering contractor and has already been *awarded an important overseas* contract for oil industry equipment.

In Canada, Peacock Inc. had a good year. Delas Weir, the associate company in France, increased its profit

It is expected that the system of cash control introduced throughout the group, with targets for each operating unit, will ensure the healthier cash flow is maintained.

See Lex

Newmarket Co. turns in $108,915

Revenue before tax of Newmarket Company (1981) for the period March 13, 1981 to December 31 last totalled U.S.$108,915—£61,085 at current rates of exchange—and after *minority debits of U.S.$1,310 net* revenue attributable to shareholders and retained, excluding *realised portfolio gains,* emerged at U.S.$107,605. There was no tax charged.

As already announced there is to be no dividend for the period—net revenue per share came through at 0.8 cents.

The company was incorporated on March 31 1981 but did not effectively commence operations until November 27, the date *which the subsidiary companies* were acquired.

At December 31 quoted investments totalled $34.35m and unquoted investments at directors' valuation amounted to $4.78m. Net tangible assets per share are given as $5.5 (equivalent to £2.87 at an exchange rate on December 31 of $1.913 to the £).

Turnround for Tyzack Sons and Turner

A *turnround from* taxable losses last time of £96,000 to profits of £55,000 is reported by *W. Tyzack Sons and Turner* for the 26 weeks to January 30 1982 and the company is paying a net interim dividend of 0.5p, against nil.

Turnover for the period improved from £2.05m to £2.27m. Tax took £4,000 (nil) and attributable profits were £51,000 (£96,000 loss).

Stated earnings per share emerged at *2.8p (5.7p loss).*

SPAIN

March 31	Price %	+ or −
Banco Bilbao	342	
Banco Central	339	
Banco Exterior	302	
Banco Hispano	314	
Banco Ind. Cat.	*110*	
Banco Santander	341	
Banco Urquijo	204	
Banco Vizcaya	361	
Banco Zaragoza	242	+1
Dragados	157	
Espanola Zinc	61	+0.5
Fecsa	61.2	
Gal. Preciados	37.5	+1.5
Hidrola	62.5	+0.3
Iberduero	53	+0.5
Petroleos	91.7	−1.3
Petroliber	98	
Sogefisa	*90*	
Telefonica	71.5	−0.7
Union Elect.	63.2	

Amal. Estates' midway losses

Taxable losses of Amalgamated Estates, property developers, accelerated sharply from £177,545 to £410,700 in the half year to *September 30 1981.* Turnover was ahead at £295,749, against £220,981.

The directors say the loss was in part due to prevailing high interest rates, continuing purchases of properties and development of existing assets which they add *will lead* to a positive cash flow and an enhanced asset base.

They point out that during the period the group created a London hotel television channel Hotel Television Network, through a subsidiary.

The *loss* was after a debit of £360,935 (£195,709) from rental income and interest and expenses. It included gains on disposal of investment properties of £11,901 (£18,164) and a *subsidiary loss* of £61,666 this time. Minorities were £5,186 (£4,445).

The directors say that the continuing aim will be to enhance the quality if the company's asset backing and that in this context several significant transactions have been pursued and others are under active consideration.

Bath and Portland sees improvement

The results of the first half to the end of April 1982 of the *quarrying, concrete products,* building and civil engineering company Bath and Portland *Group are expected to improve* compared with the same period last year, Sir Kenneth Selby, chairman, told shareholders at the annual meeting.

He added: "For the year as a whole I become more and more confident each day and I am *certain that we shall see* recovery continuing.

"But that recovery will come from our own efforts—it will not come from any upturn in the economy. If the upturn comes in 1983 we will be ready for it."

Decrease at M & S Canada

Pre-tax earnings of Marks and Spencer Canada have dropped to C$5.9m (*£2.69m at current rates*) for the 52 weeks to January 31 1982, compared with *$7.77m* for the *previous 53 weeks.* Sales rose from $207.89m to $226.32m.

At the operating level, profits fell by $1.24m to $9.28m. M and S losses were higher at $1.45m (*$0.8m*) and although profits from Peoples improved from $5.74m to $6.09m, the D'Allairds *contribution slipped back* to $4.63m ($5.58m).

Interest costs and corporate expenses increased from $2.75m to $3.38m. With tax lower at $2.3m ($3.35m) profits from continuing operations came through at $3.6m, against $4.42m.

Net earnings showed a decrease from $6.57m to $4.72m, after store closure costs of $130,000 ($807,000) and extraordinary credits of $1.25m (*$2.95m*) *which arose* from reduced income on prior years losses.

A dividend of 10 cents per share has been declared, payable May 5.

Edinburgh Secs. losses at £56,565

As forecast in the prospectus last October, the final dividend for the USM stock, The Edinburgh Securities Company, remains unchanged at 0.15p for the 11 months to December 31 *1981.*

At the pre-tax level there were losses of £56,565, against previous profits of £43,207. The directors say that the loss arises *because of losses in* Esco Exploration and the share losses in the Bearcat Explorations (UK). The loss per share was given at 1.02p (earnings 0.29p).

In their prospectus the directors stated that because of the time lag between initial capital *expenditure and the receipt of* cash flow, trading losses are not uncommon in the early years of oil and gas exploration activity.

The company invests in independent oil and gas exploration companies, both listed and unlisted.

After tax, however, the directors state that the parent company's profit was slightly higher *than last year.*

Group tax took £24,808 (£21,733).

Realised net profit on the disposal of investments and exchange differences after tax amounted to £1.57m, compared with £3.16m.

There was an extraordinary debit this time of £17,032.

H. J. EMERY

Mr Jack Cheetham and Mr David Milburn, partners in Peat, Marwick, Mitchell have been appointed joint receivers and managers of H J Emery.

The company is a building contractor in Stoke-on-Trent, with 42 employees.

L & G life profits leap: payout up 44%

SHAREHOLDERS with Legal and General Group get a dramatic 44 per cent increase in their dividend for 1981, up from 9p to 13p, following a near-40 per cent rise in shareholders' life profits from £21.4m to £29.4m.

The total surplus from L & G's long-term funds amounted to £134m against £99.2m in 1980, with the group adopting the growing practice of bringing into the revenue account a small part, around 3 per cent, of the investment reserves built up over the years by the capital appreciation of the assets held *in respect of the non-linked* business.

This surplus was divided between policyholders and shareholders, with the former getting £114.3m, against £85m in 1980, and shareholders £19.7m, against £14.2m.

Underwriting losses on the group's general insurance business rose by only one-quarter to £18.9m (£15.2m) on premium income up 14 per cent from £147.6m to £168.1m. Investment income on general insurance funds rose by a quarter to £34m (£26.8m) and net profit from the managed fund subsidiary from £3.5m to £3.7m.

● comment

Legal and General's results took the market somewhat by surprise. Life profits were better than expected, thanks to the actuary taking credit for part of the unrealised capital appreciation on life fund assets. The results were boosted by underwriting losses only rising by one-quarter, against rises from other insurance groups of four and five *times. The groups'* UK dependence on domestic business and its ending of general operations in Australia should help underwriting results but the *future depends* on a recovery in world reinsurance markets. The share price rose 14p to 246p yesterday (after reaching 250p) to yield 7.8 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
A.B. Electronic ......int.	2.5	May 28	0.5	—	4
Babcock Intnl.	3.6	—	3.6	7	7
Brit. Mohair Spinners	3.04	May 21	2.81	4	3.77
Bowthorpe	1.89	July 1	1.58	3.42	2.96
Bunzl	3.5§	July 1	3.02	8	7.23
R. Cartwright	2.75	May 14	2	4	3
Croda International	2.25	July 1	1.6	3.75	3.1
Dinkie Heel	0.2	—	0.25	0.45	0.5
Dorada	nil	—	nil	nil	2.1
GRE	10.75	—	9.5	17.5	15.5
Jamesons Chocs.	3.6	—	3	4.6	4
Legal & General	9	—	6	13	9
Magnolia	1.7	May 28	1.5	2.3	2.1
Molins	5.7	—	5.7	7.9	7.9
Park Place ......int.	1.75	May 21	1.25	—	3.6
Silkolene	4.95	—	3.95	6	5
Tyzack Sons & T. ...int.	0.5	—	nil	—	—
Weir Group	1.75	May 27	nil	1.85	nil
Wilkinson Warburton	4.66	June 21	4.35	6.6	6.29

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § Partly to reduce disparity with interim.

Wilkinson Warburton expands

COST CUTTING in the face of reduced consumer demand for textile goods and carpets helped Wilkinson Warburton increase taxable profits from £719,560 to £815,424 in 1981. Turnover fell by £502,920 to £24.01m.

With earnings per 25p share stated higher at 21.42p (19.53p) the final dividend is being raised from 4.35p net to 4.86p making a total for the year of 6.8p (6.29p).

At the half-year stage this distributor of textiles and carpets was already well ahead with pre-tax profits of £321,912 (£173,541) and turnover stood at £10.45m (£10.91m).

The directors say that in the first three months of the current year the textile divisions experienced a modest increase in sales but the carpet trade continued to suffer from a basic lack of demand. The first half will therefore be difficult but autumn bookings are more encouraging and the directors are therefore "reasonably" confident of producing another satisfactory result for the full year.

Taxable profits were struck after interest payable of £551,161 (£695,675) and depreciation of £200,987 (£235,555). Tax took £289,050 (£354,958 credit after the release of provisions for deferred tax on stock relief of £993,950); leaving net profits of £526,374 (£1.07m). Preference dividends came to £7,485 (same) and ordinary dividends absorbed £142,721 (£143,834) after waivers of £17,164 (£6,542).

Current cost adjustments reduced the taxable profits to £594,000 (£226,000) and stated earnings per share to 11.89p (23.69p).

Halfway loss at Anvil Petroleum

FOR THE six months ended December 31 1981 Anvil Petroleum incurred a pre-tax loss of £85,690, compared with a surplus of £175,000 which included a profit of £24,000 on the realisation of investments.

There is again no interim dividend—the last payment was 4.2p net for the year to December 31 1976.

Turnover for the half year totalled £283,000 (£195,000) and net income from producing operations was £35,000 (£51,000) after production costs of £89,000 (£20,000) and depletion and other charges of £189,000 (£94,000).

Mr A. P. de Boer, chairman, said turnover for the six months was the highest in dollar terms since 1979. Although this may not be fully sustained in the second half a number of new wells should be contributing to an increased level of turnover by June this year.

Despite the uncertain outlook for the oil industry he remains encouraged by the steady development of the group's North American operations which, with gas production forming an increasingly important component of turnover, should remain relatively unaffected by the current weakness in oil prices.

In the UK exploration work is continuing on all licensed areas and should allow the delineation of at least three prospects for drilling in early 1983.

The taxable deficit was struck after a loss of £68,000 (nil) on the sale of producing interests, exploration expenditure written off of £78,000 (£20,000) and general and administration expenses of 169,000 (£127,000). The figure included interest and other income receivable of £142,000 (£168,000), an exchange gain of £38,000 (nil) and a share of profits of associates amounting to £67,000 (£49,000).

Tax took £61,000 (£79,000), leaving a loss of £126,000 (£96,000 profit) before an extraordinary credit of £142,000 (nil) from a sale of shares and options in Metramar Minerals.

Stated loss per 20p share was 3.4p (2.6p earnings).

Molins £1m lower despite some second half progress

DESPITE an improvement from £4.2m to £4.6m in the second half, pre-tax profits at Molins were down from £8.9m to £7.9m for 1981 as a whole. Sales of this manufacturer of machinery for the tobacco industry, and of paper and board converting machinery, improved from £124.6m to £132.6m.

The final dividend is fractionally increased from 5.698p to 5.7p for an improved total of 7.9p against 7.898p.

The directors say that tobacco machine orders received were at a significantly increased rate during the year. Orders for 1982 delivery are for all major units, at a satisfactory level, representing substantial improvement over the position at the end of 1980, and actions taken in 1981 will improve performance of the Bristol and Deptford (London) operations.

Provided there is no further deterioration in already depressed market conditions facing the U.S. corrugated board machinery business, the board expects group pre-tax profit for the half-year to be comparable with those of the corresponding period last year, and for the full year to show an increase over 1981.

Trading profits for the year fell from £10.8m to £8.7m, with tobacco machinery's contribution down from £12.1m to £9.8m. The packaging machinery division again incurred a loss, but this was down from £1.3m to £900,000. This loss was wholly attributable to Masson Scott Thrissell Engineering, but was drawn before costs of restructuring, which included substantial redundancies. These are being treated as an extraordinary item.

The directors say the current order position for corrugated board machinery is less than satisfactory, and prospects for improvement depend largely on an upturn in the U.S. economy and progress in improving product range.

Year-end pre-tax figures were after depreciation higher at £3.7m (£3.2m) and interest charges down from £1.9m to £800,000. After tax of £3.4m (£2.2m), minorities of £200,000 (£100,000) and an extraordinary debit of £1.4m (£500,000 credit), attributable profits fell by £4.2m to £2.9m.

Stated earnings per 25p share were lower at 14.6p (22.5p), and net tangible asset value per share improved from 221p to 235p. On a CCA basis, pre-tax profits were £2.5m (£2.2m).

● comment

As expected, Molins' results for 1981 appear to mark the bottom of its profits trough. Now the question is how much climbing Molins can do. The group has chopped away at its paper and packaging operations, but this division remains in loss. Its recovery depends on a revival of the U.S. economy and better penetration overseas. In the group's core business, much depends on the success of the long-awaited Mark 10. The company is hopeful that this machine—which can spit out up to 10,000 cigarettes a minute—will be well received. Even so, the improvement predicted in the current year is leaning heavily on further loss elimination, rather than any real improvement in sales and margins. Molins' dividends have been steady now for four years, while profits have been steadily declining. Looking ahead to around £8.5m for 1982, the prospective fully-taxed p/e of more than 12 seems to discount this past generosity rather than any potential for solid long-term growth. The shares, up 7p to 170p, have an historic yield of under 7 per cent.

Lower interest aids Mohair Spinners

REDUCED interest payable of £113,000, against £417,000, helped dyer, comber and spinner **British Mohair Spinners** to increase pre-tax profits from £228,000 to £852,000 in 1981. This compares with a record £2.8m in 1978. Turnover for the year slipped by £3m to £22.2m.

The final dividend is being raised to 3.04p net (2.81p) per 25p share, making a total of 4p (3.77p). Earnings per share are given as 4.96p (33.03p including deferred tax relief of 28.63p).

Mr J. A. Clough, chairman, says there is still no visible sign of any upturn in demand and unless the world economy improves it seems unlikely that profits for 1982 will be very much improved.

The results included profits from Jarol, acquired during the year, which continues to expand, Mr Clough says.

Tax took £236,000 (£3.59m credit including deferred tax relief of £3.29m) and there was an extraordinary debit of £28,000 (£64,000).

● comment

British Mohair is up a creek without a paddle. Mohair prices recovered by some 25 per cent in 1981 but the company's sales fell by 12 per cent. Demand for the group's quality yarns has simply dried up. Five years ago, the company sold 500,000 kilos of mohair, last year the figure was down to 100,000 kilos. The company blames the decline on the male preference for "rubbish" fibres which are cheaper but less durable. The group is now working on a few new paddles. A £3/4m acquisition, expected shortly, will represent a tentative step out of the textile field. The company is also expanding its deliveries to the hand-knitting business, currently on an upswing thanks to the fashion for chunky sweaters made from brushed mohair. The group has cleaned up its balance sheet and income gearing has dropped from 65 per cent to 12 per cent. None of these actions, however, are likely to return the group to 1978's peak profits of £2.8m in the next few years. The company has been trying to ease the pain of the last three years by maintaining the dividend. The result is a share price, up 1½p yesterday to 52½p, which leans heavily on a yield of 11½ per cent.

AB Electronic back to profit at midway

THE improvement seen in the second half last year, when there were pre-tax profits of £202,000, has continued into the first half of the current year at A.B. Electronic Products Group. In the six months to December 31, 1981, there were profits of £303,000 against losses of £585,000 in the corresponding period of the previous year. The year-end losses were then reduced to £364,000.

The net interim dividend is raised from 0.5p to 2.5p—last year's total was 4p.

Sales of this manufacturer of electronic components and systems rose from £10.43m to £11.9m in the opening half. The pre-tax figure was struck after depreciation up from £458,000 to £572,000, net interest charges higher at £241,000 (£218,000) and redundancy costs of £4,000 (£204,000).

After tax of £96,000, against £40,000, stated earnings per 25p share were 5.3p, against losses of 15.7p.

● comment

The market for shares in AB Electronic is thin, so a moderately bullish interim announcement was able to send the price soaring yesterday, up 27p to 140p. Partial restoration of the interim dividend, cut to ½p last year, suggests a yield of just over 6 per cent on a maintained final. AB is consolidating upon the recovery which began in the six months to last June, when trading profits reached £1.2m after cost-reductions had begun to take effect. Pre-tax profits in the latest half-year of £0.3m compare with £0.2m achieved then, which is slightly better than expected after the cautious tone struck in the annual report. Yesterday's figures are flattered by the virtual absence of redundancy payments (£0.2m six months ago) but depressed by the first-time inclusion of Austrian losses— apparently on a scale sufficient to lop 1¼ points off the trading margin. Although the numerical evidence of progress is thus somewhat ambiguous, second-half trading confirms that the trend is healthy. Along with unexpectedly good results from Bowthorpe yesterday—and Cambridge last week—the news from AB seems to confirm that electronic component manufacture is through the worst of the recession.

Bunzl steady and pays more

GROUP taxable profits at Bunzl, paper and packaging maker, were little changed at £11.59m for 1981 compared with £11.15m. The total dividend has been raised from 7.23p to 9p by a final of 3.5p, which is partly intended to reduce disparity with the interim, and does not indicate the rate of increase for 1982.

Turnover, excluding associates, was greatly increased from £169.53m to £245.65m. Most of this was because Intercontinental Cellulose Sales became a subsidiary rather than an associate in the course of the year. Also, Jersey Paper Company was acquired at the end of April.

An analysis of trading profit of £8.09m (£8.43m) shows that only 42 per cent came from filter operations, compared with 71 per cent. Profit from merchanting operations rose to 33 per cent from 16 per cent in the previous year.

The success of the plastics and packaging activities of the Filtrona division is shown by increased profits, and the industrial division is now a reliable contributor to the group's performance.

The profit of Jersey Paper Company is included for the first time and, together with future acquisitions in paper distribution, is expected to provide an important source of future revenue, say the directors.

An analysis of turnover and trading profit by division shows: Filtrona £77.54m (£70.26m), £4.82m (£7.28m); merchanting £127.11m (£71.11m), £2.85m (£1.44m); industrial £28.7m (£27.42m), £1.05m (£1.01m); distribution £19.8m (nil), £368,000 (nil); discontinued operations £8.85m (£15.48m), losses £377,000 (losses £849,000).

Pre-tax profits were struck after increased share of associate profits of £2.85m against £2.77m, and net interest and dividends receivable £657,000 (payable £47,000).

There was a higher charge for depreciation and amortisation of £2.77m (£2.6m). Currency gains this time amounted to £2.4m, compared with previous losses of £2.86m. Goodwill on acquisitions written off rose from £171,000 to £1.33m.

Extraordinary debits were lower at £1.04m (£4.11m) including provisions for reorganisation and loss on disposal of subsidiaries.

Tax took £4.66m, compared with £3.92m, including an overseas charge of £1.91m (£1.79m); UK £1.59m (£1.09m) and associates of £1.16m (£1.04m). The previous year's tax benefited from the change in the rules regarding stock relief.

Earnings per share before extraordinary items were slightly lower at 23.4p, against a previous figure of 25.6p.

After the extraordinary items and minorities of £322,000 (£531,000) attributable earnings emerged higher at £5.07m (£2.59m).

● comment

Bunzl has got its timing off pat in baring its soul with a full profits breakdown for the first time. Over the last year Bunzl has been spreading the message that it's not so much a cigarette filter manufacturer any more but a widely spread paper trading and distribution group. Nothing tells the story better than these results. Though overall profits are marginally ahead that masks a collapse in UK filter profits. Bunzl has been hammered by the double blows of a sharp downturn in cigarette consumption (some 12 to 15 per cent) and the decision by Imperial (traditionally the largest customer) to divert more of its requirements to its in-house manufacture. Now Gallaher has taken over as number one filter client. Still it looks as if the bottom has been reached. Elsewhere the group is pushing ahead. It's now one of the largest paper traders in the world while the distribution side is being rapidly expanded by a series of U.S. acquisitions—another one is coming soon. The industrial division too will be making significant gains now the deadwood has been chopped away. Trading profits should rise well in 1982 though interest receivable will disappear as Bunzl goes gently into net debt to finance acquisitions. Pre-tax profits could be around £13m. The shares have come up a long way in the past year but a p/e of 7.3 and yield of 6.7 per cent suggests they have not reached the top yet. But the advance from now on may be a little more pedestrian.

Hoare Govett introducing computer forecast system

A MAJOR stockbroking firm, Hoare, Govett, is using its comprehensive research coverage of the London market to construct a computer-based, formalised forecasting system for 150 major UK companies.

The firm will take the forecasts provided by each of its 35-strong team of analysts to build a complete picture of a company's profit and loss account and balance sheet, with particular emphasis on a projected source and uses of income statement. The computer system, provided by Memory Computers, has already been loaded from published data and the projections made by the analysts will be used to provide information on each sector.

The information will be continually up-dated on a 12-month moving average basis which can be re-allocated to produce quarterly performance. With the addition of shares prices, Hoare will have ready access to current price earnings ratios and yields for individual companies, sectors, Financial Times—Actuaries sub-groups and groups.

Comparisons between companies and their respective sectors become straightforward, research head Mr Robert Cowell believes, "and the data base will add weight to many of our sector reviews."

The assessments of the firm's economics department, headed by Mr Roger Nightingale, will be used as a backcloth to these projections although there are no current forecasts further than two quarters ahead.

The aggregate model, as it is called, can then be used to compile macro-economic information on productivity, for example, capital spending, export growth and cash flow.

Scot. Mortgage dollar bonds

Scottish Mortgage and Trust has borrowed U.S. $20m for five years from Morgan Guaranty Trust Company.

The interest rate has been fixed initially at 15⅞ per cent for one year and the money has been used for investment in medium and long dated dollar bonds.

Yields on these fixed interest securities at 15 epr cent are high by comparison with U.S. inflation of 8 per cent, the directors state.

Yearlings total £15.5m

Yearling bonds totalling £15.5m at 13⅜ per cent redeemable on April 6 1983 have been issued this week by the following local authorities.

Basingstoke and Deane BC £0.5m; Kings Lynn and West Norfolk (Borough Council of) £0.5m; Dunfermline DC £1m; Medina BC £0.25m; St Helens Metropolitan BC £0.5m; Tyne and Wear CC £2m; Kettering BC £0.25m; Rochdale Metropolitan BC £0.25m; Three Rivers DC £0.25m; Wansbeck DC £0.25m; West Lancashire DC £0.25m; Camden (London Borough of) £1.5m; Hart DC £0.25m; Kensington and Chelsea (Royal Borough of) £0.5m; Lewisham (London Borough of) £2.5m; Oldham Metropolitan BC £1m; Bournemouth (Borough of) £1m; Cardiff (City of) £0.75m; Southwark (London Borough of) £1.5m; Waltham Forest (London Borough of) £0.5m.

Nolton loss heavier midway—no interim

INVESTMENT holding company Nolton incurred increased first half taxable losses to £75,000 in the six months to October 1981, compared with £11,000, after having made a second half recovery last year with a pre-tax surplus of £86,027.

The first half trading profits of £37,000 (£118,000) comprised £214,000 (£191,000) for the continuing activities, and losses of £178,000 (£74,000) for discontinued ones.

With the losses per 25p share stated at 1.8p (0.53p) the interim dividend is being missed (0.6p net). Last year no final dividend was paid when taxable profits amounted to £76,487 (£375,061).

The directors say that Nolton Communications has continued its poor performance into the second half and its disposal has come too late to affect the current year.

Elsewhere in group, Carr and Day and Martin performed particularly well with high export demand, and this continued into second half, they say. The freehold reversion business continued its success. Despite the poor weather conditions, the block of 18 flats at Fleet is complete with only two unsold and work at Farnham is on schedule.

Office Appointments has continued to find the employment agency market flat and, although there are now some signs of an upturn, these are unlikely to affect the current year.

With a further four months trading at Bolton Commissions to be included in second half, this company cannot predict a good result, but believes there will be more encouraging signs in statement with the report and accounts for full year.

The taxable profits were struck after interest payable of £112,000 (£128,000). There was no tax (£23,000 charge) and an extraordinary credit of £69,000 (£43,000) for surplus provision made against rationalisation costs of a subsidiary.

Nolton's principal subsidiaries are engaged in property investment and development, industrial manufacture and the provision of financial and other services.

FIRST CASTLE ELECTRONICS

First Castle Electronic's recent £2.6m rights issue has been accepted in respect of 8,105,995 shares, or 94.8 per cent.

The balance has been placed through the market at a premium and proceeds will be distributed pro rata to shareholders as indicated in the rights issue document.

Gencor well placed to ride out the storm

BY KENNETH MARSTON, MINING EDITOR

SOUTH AFRICA's General Mining Union Corporation (*Gencor*) group *stands out as* one of the few international mining and industrial giants able to maintain an air of confidence in the near term despite the weakness of metal markets, industrial recession and strained finances among other groups.

In the annual report the chairman, Dr W. J. de Villiers, points to the strength of the Afrikaner group's balance sheet. Group long-term borrowings amount to R269.7m (£144m) compared with group equity of R2.5bn, taking investments at market value.

Last year net attributable profits rose 19 per cent to R319.8m, the coal and industrial interests helping to offset the effects of the depressed markets for precious and base metals. Metal markets continue to be weak and Gencor now faces "a difficult" year.

However, Dr de Villiers still expects that in the absence of unforeseen circumstances "the level of earnings for 1981 will possibly again be achieved in the current year." He adds that the group's planned capital spending on current projects exceeds R1.5bn, although not all of this will be spent in the current year.

Last year industrial interests provided 38.3 per cent of income, gold and uranium 31.4 per cent, finance 10.5 per cent, platinum 9 per cent, coal 6.9 per cent and mineral mining and beneficiation 3.9 per cent.

Now that the previous excess productive capacity in South African industry is largely filled, Dr de Villiers says that the sector must now expand in order to meet the next expansionary phase of the economy and to assist in creating much needed employment.

Of the South African economy, he feels that a further weakening in the rand could result in the country's inflation rate moving to levels even higher than the 14 to 16 per cent expected this year.

On the mining side, he points out that the group's uranium producers have the bulk of their production committed under long term contracts at reasonable prices. No improvement is expected in demand for platinum this year, while coal prospects remain "promising."

Assets of Gencor at December 31 equalled 3,138 cents (£16.76) per share compared with the current London price of 740p. Giving a dividend yield of 12.6 per cent, the shares cannot be regarded as over-priced for a company of this calibre which hopes to maintain profits in a difficult period.

Gold mine chairmen gloomy

THE FUTURE of South Africa's West Rand Consolidated gold mine should be viewed with the utmost caution, according to Mr J. C. Fritz, chairman, in his annual statement.

This is because of the combination of the present low gold price, unavoidably poor recovery grades and the mine's financial sensitivity, in particular with reference to its current dependence on state assistance.

Nevertheless, Mr Fritz repeats the company's confidence in the long-term future of gold.

West Rand received R13.06m (£7m) under the state aid scheme last year, allowing it to report net profits of R4.38m against R10.75m the previous year.

The mine, part of the Gencor group, ceased uranium production in August last year as a consequence of depressed world prices, and Mr Fritz said the changeover to the production of gold alone went more smoothly than originally expected.

In its efforts to survive, the mine has stepped up its exploration activities and started investigations with a view to extracting gold from waste dumps on a more permanent basis.

Mr Fritz is also chairman of the Gencor group's Stilfontein gold mine, and he said that that mine can expect a difficult year.

Stilfontein is expecting a significant fall in recovery grade as the remaining reserves are of lower quality. Recoveries will be further depressed by the need to balance production from the high-grade Kromdraai area with bigger tonnages of lower-grade material from the rest of the mine.

Uranium recovery grades from the 85 per cent-owned Chemwes plant are also expected to be lower this year, as waste material from Buffelsfontein will run out in April and the plant will only be drawing on Stilfontein's tailings.

Fortunately, the pattern of dividends from Chemwes will not be affected as this was taken into account in the original planning. Chemwes paid dividends totalling R10m last year.

Mr W. R. Weeks, chairman of Gencor's Marievale, said that any further deterioration in the gold price would "further threaten the already precarious existence of an old mine which has virtually no prospect of adding substantial tonnages to ore reserve."

For the group's Grootvlei mine, Mr Weeks said that provided the gold price remains at existing levels in real terms, the mine should be in a position to continue to operate profitably for the next seven years.

Grootvlei's main advantages lie in its relatively low unit costs and substantial scope for worthwhile extensions to reserves.

Mr E. Pavitt, chairman of Gencor's St Helena, said that the immediate future will be difficult, as he sees no early reversal of the factors currently depressing the gold price.

Hartogen A$38m rights

Australia's Hartogen Energy earned net profits of A$5.55 (£3.34m) in 1981, compared with the previous year's A$1.76.

Accompanying the trebled profits, the Australian oil and gas producer announces a one-for-one rights issue at A$2 (118p) to raise approximately A$38.26m. The funds will be used to increase Hartogen's oil and gas exploration acreage.

The sharp increase in net profits reflects higher sales and prices of gas from the company's Kincora field and a near A$100,000 contribution from Wambo Mining.

Hartogen's chairman, Mr P. N. Burke, forecasts a further increase in earnings in the current year although in percentage terms not of the same order as for 1981.

Genoa Oil, which has a near 45 per cent interest in Hartogen, will take-up its entitlement to the Hartogen rights issue, Mr Burke added. Hartogen were 190p in London yesterday.

Aitken Hume bid for £69m managed funds

THE FAST GROWING banking and financial services group, Aitken Hume, is bidding for funds under management of £69.5m. Conditional agreements have been signed for the acquisition of Investment Intelligence (Intel) and Key Fund Managers while a conditional offer has been made for Mutual Unit Trust Managers.

The Intel deal had been lined up in May last year and is now confirmed with an offer worth £1.31m to be satisfied by the issue of 600,000 new Aitken Hume shares, valued at a middle market quotation of 202p.

Three directors of Aitken Hume — Messrs Jonathan and Timothy Aitken and Mr Michael Scorey — are potentially interested in Intel so the deal has been conducted at arm's length by two other Aitken Hume directors, Mr W. C. W. Smith and Mr J. A. Turnbull.

The potential interest arises from the conditional agreement to sell Aitken (English), where the three directors are represented, to Aitken Investments SA. The former, as the name implies, is the investment vehicle set up by newspaper magnate, Lord Beaverbrook, to enable his English descendants to invest in shares in his Fleet Street newspapers while Aitken Investments SA is a similar vehicle for his North American descendants. Aitken Investments SA, which is run through a Swiss trust company, controls Intel.

The vendors of Intel and parties acting in concert with them represent 23.8 per cent of Aitken Hume's equity.

The latest deals are described by Mr Jonathan Aitken, the Aitken Hume chairman, and the Conservative MP for Thanet, as a "logical further step" in the policy of "expanding into financial services in order to create an investment and banking group whose business is mainly with individuals and smaller companies."

The first major initiative was the acquisition in June last year of Hume Corporation, a licensed deposit-taker, from Rothschild Investment Trust.

Intel had funds under management for individuals and companies of £33.8m at December 31 last and unit funds of £12m. It often acts on a discretionary basis for private clients and was responsible very recently for the sale of a large stake in Howard Tenens Services to G. M. Firth (Holdings). Key and Mutual respectively had £12.7m and £11m of unit funds under management at that point.

The total consideration for these transactions will amount to £2.53m and, after taking account of the payment of around £272,000 for the combined net tangible assets being purchased, this payment represents 3.25 per cent of the funds to be acquired.

On a pro forma basis, the enlarged Aitken Hume group would be backed by net tangible assets of £3.06m at December 31 last against net worth of £4.85m before the acquisitions. The calculation, however, excludes the 8.7 per cent stake in London and Provincial Trust acquired on March 12 or the sale one week later, of a 4.2 per cent holding.

The board forecasts that profits before tax in the year to March 31 1982 will be of the order of £650,000.

Owners of Cavendish Life to 'sell their interests'

THE Gibraltar-based life company, Cavendish Life Assurance yesterday announced that its owners, Oxford Marketing and Trading Company of Nassau, *were selling their interest to an* unnamed corporate buyer.

Negotiations were in an advanced state and were expected to be completed by the end of next week. Mr Patrick Di Carlo, the owner of Oxford has resigned as chairman of Cavendish.

So other details of the sale are available. But it is revealed that the capital of Cavendish Life, at present £250,000, would be further increased by the new owners.

Cavendish Life market income bonds provide a high level of income by partly investing in gilts and putting the remainder in oil production of Parkford Petroleum Inc. of the U.S., where Mr Di Carlo is a substantial shareholder. He is also selling his holding in Parkford to a *corporate buyer*.

Hong Kong and Shanghai Bank (Jersey) will continue to act as trustees to Cavendish and it is understood that it has taken steps to secure the ownership of oil to cover the investment in Parkford.

Cavendish has sold £32,000 of bonds since last November of which £200,000 has been invested in gilts and the rest with Parkford. Investors are locked into these five year bonds, there being no facility for surrender.

Mr Hugh Mackay, managing *director of Cavendish Life Assurance* Services (UK), the marketing arm of Cavendish in the UK, assured bondholders that their investments were secure. Statements would be sent to bondholders as soon as the negotiations were complete.

Mr Di Carlo stated that he was selling out his interests in Cavendish and Parkford in order to concentrate on his other business interests.

SHARE STAKES

Greencoat Prop.—Fairclough Construction Group holding increased to 4,230,000 shares, representing 13.3 per cent of share capital.

Jenks and Cattell—Alkhobar Development Company is the ultimate holder of 1,706,500 ordinary.

GB Papers—Drayton Consolidated Trust now has an interest in 620,000 shares (8.3 per cent).

Espley-Tyas Property Group—Chairman, Mr R. A. Shuck, bought 50,000 ordinary at 92p on March 25 and 50,000 ordinary at 90p on March 26.

● IMPROVED OFFER FOR MARSHALL FIELD

Batus victory but Icahn takes battle honours

BY PAUL BETTS IN NEW YORK

THE need to neutralise the *highly tenacious, imaginative* and talkative New York financier, Carl Icahn, prompted Batus, BAT's American subsidiary, to sweeten its offer for Marshall Field, the Chicago-based retail chain.

By increasing its bid from $346m to $362m on Tuesday night and striking a deal with the investors group led by Mr Icahn, Batus now appears to have locked up its takeover of the Chicago retailer.

Although the general impression yesterday was that Mr Icahn had successfully forced Batus to cave in and increase its offer for the second time in the takeover attempt, sources close to the situation claimed Batus agreed to the new terms to give the proposed takeover a sense of finality.

The group of investors, headed by Mr Icahn, controls more than 30 per cent of Marshall Field's 12.1m common shares. It had vigorously opposed Batus' original offer on the grounds that it was inadequate.

Sources claimed yesterday that Mr Icahn was still looking before Tuesday's settlement for a competing bid to rival Batus' offer of $30 a common share and $54 a *preferred share* for 65 per cent of Marshall Field to be followed, by April 1983, with a merger involving $23.50 a common share, and $45.90 a preferred share.

Originally, Batus offered $25.50 a common share and $45.90 a preferred share for 65 per cent of the company, to be followed by a merger on the same *financial terms*.

Although 92 per cent of Marshall Field stock had been tendered to Batus before last Saturday's proration deadline, there was concern that many of these shares could be pulled out should a competing bid emerge since the withdrawal date for the offer did not expire until April 6.

The proration date encourages shareholders to tender their *shares in a given offer* by a certain deadline to guarantee themselves a good place in the queue for the higher part of a two-step merger offer. It has become a common device in U.S. takeovers in recent years.

The concern was that the Icahn group could not only have moved out its shares *from* the Batus proration pool, but could have raised enough money with other investors to buy a *controlling interest* in the company. The Icahn group had tendered its shares in the Batus proration pool as a safety precaution, but had suggested it *would pull them out if necessary* before the withdrawal deadline.

Indeed, apart from the group's 31 per cent block of Marshall Field shares, a small number of risk arbitrageurs — speculators who traditionally play in big takeover situations — are understood to hold sizable blocks of Marshall Field stock. Combined, the Icahn group and the risk arbitrageurs are *understood* to hold 50 per cent or slightly more of Marshall Field shares.

At the same time, a number of other parties have expressed interest in acquiring Marshall Field and were not out of a possible takeover bidding war. These included the Carter Hawley Hall Stores, which once before attempted to take over Marshall Field, and the South African investor team of Julius and Edmond Trump, who are not connected with New York real-estate developer, Donald Trump.

Batus thus needed to sweeten its offer to control the situation and neutralise Mr Icahn, who has shown a great sense of ingenuity throughout the takeover bid. *It thus revised the* terms of its bid by offering to pay $30 a common share and $54 a preferred share for the entire company.

This will still be done in two stages. First, Icahn's offer for 65 per cent of the company, and *subsequently a similar cash offer* for the rest of the company to complete the merger. But the completion date for the second stage of the offer has been pushed forward from April 1983 to September this year.

In turn, Mr Icahn has agreed to drop all the litigation and hostilities he had mounted against Batus. He has also agreed not to buy or sell Marshall Field shares in any way that would encourage a competing bid.

Mr Icahn's change of heart appears to have, in part, been prompted by a court set-back at the end of last week for the investor. He had challenged two so-called "lock-up" options in the Batus-Marshall Field friendly takeover.

These included an agreement by Marshall Field to sell directly *to Batus the 2m shares it held*, or the equivalent of 18 per cent of the company, and grant Batus first refusal rights should the retailer decide to sell its Chicago division, its most highly-prized asset.

Similar options have been granted in the past to put off unfriendly rival bidders. But a judge in the now celebrated U.S. Steel-Marathon Oil takeover battle ruled such "sweetheart arrangements" were illegal.

But the judge in the Marshall Field case reversed this ruling and endorsed the lock-up options in the Batus-Marshall Field deal.

After this setback and a week-end of negotiations, Mr Icahn appears to have settled for the revised Batus offer.

Sources close to the situation also claimed the revised deal involving the same terms for both parts of the Batus offer was fairer to shareholders.

The two-step multi-billion offer by U.S. Steel for Marathon Oil had recently been at the centre of a fierce controversy in that *shareholders claimed the second* part of the U.S. Steel offer was unfair in view of the attractive cash price for the first stage of the takeover.

This row, which at one stage looked like threatening the completion of the U.S. Steel-Marathon merger, may have also prompted the revision in the Batus offer. It is no small coincidence that First Boston Corporation, the investment company which advised Marathon Oil, is also advising Batus.

In the past 12 months, First Boston has built itself a glowing reputation as a leading adviser in mega takeovers. It also played a key part in the successful multi-billion Du Pont-Conoco takeover last year.

Although the impression is that Mr Icahn successfully manoeuvred Batus this time in forcing it to sweeten its offer, Batus was reluctant to see its takeover bid develop into a long and unsavoury battle whose final outcome would in no way have been certain.

It would also probably have been more expensive in the long run to continue upping the first stage of its offer than settling for an overall price of $30 a common share and $54 a pre*ferred share for* the entire company.

Euroflame resignations

Mr and Mrs I. W. Jones announce that with the knowledge and concurrence of the other members of the board they have resigned from the board of Euroflame Holdings in order to co-operate fully in the reconstruction of the group, but wish it to be fully noted that they have ceased to carry out executive duties since June of 1981.

The statement says that Mr and Mrs Jones were not the co-founders of Euroflame Holdings but prior to the flotation of the company traded as Le Feu de Bois which was incorporated on March 26 1976 (subsequently renamed Euroflame (UK) Ltd on January 22 1981) and have only been connected with Euroflame Holdins since February 1981.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$300	—	—	3	40	—	—	$320.50
GOLD C	$350	1	6	—	—	2	22.50	"
GOLD C	$375	—	—	—	—	1	17.50	"
GOLD C	$400	50	0.10	—	4.50	28	10	"
GOLD C	$425	10	8.30	—	—	—	—	"
GOLD P	$300	2	8	1	10	3	12.50	"
GOLD P	$325	3	15.50	—	—	—	—	"
GOLD P	$350	—	—	10	33	3	34	"
GOLD P	$375	—	—	3	60	1	53	"
GOLD P	$400	—	—	2	78	—	—	"
12¼ NL 81 87-91								
C	F.110	—	—	1	2.60	—	—	F.112
C	F.115	—	—	100	0.60	—	—	"
P	F.110	—	—	5	1	—	—	"
11¼ NL 82 88-92								
C	F.102,50	—	—	45	2	—	—	F.103,30
		April		July		Oct.		
ABN C	F.280	10	8	—	—	—	—	F.283
AKZO C	F.22,50	12	7.40	10	7.60	—	—	F29.80
AKZO C	F.25	35	4.90	—	—	—	—	"
AKZO C	F.27,50	30	2.30	27	3.60	—	—	"
AKZO C	F.30	20	0.90	47	1.80	39	2.30	"
AKZO P	F.27,50	—	—	25	0.70	—	—	"
AKZO P	F.30	—	—	36	1.80	25	2.10	"
AMRO C	F.50	31	0.50	10	1.90	—	—	F.50.40
HEIN C	F.45	—	—	10	11	—	—	F.55.50
HEIN C	F.55	17	1.50	10	3.50	9	4.20	"
HOOG C	F.15	10	0.70	—	—	—	—	F.15.70
HOOG P	F.17,50	15	2.10	—	—	—	—	"
KLM C	F.90	11	25	—	—	—	—	F.114,50
KLM C	F.100	333	14.50	25	19 B	—	—	"
KLM C	F.110	381	6.50	139	12.30	—	—	"
KLM C	F.120	293	2.20	—	—	—	—	"
KLM P	F.90	—	—	15	1.30	26	2	"
KLM P	F.100	12	0.50	38	2.80	—	—	"
KLM P	F.110	76	2	49	4.50	19	7	"
KLM P	F.120	42	7.50	—	—	—	—	"
NEDL C	F.130	—	—	10	2.80	—	—	F.118,50
PHIL C	F.20	159	4.10	—	—	—	—	F.24
PHIL C	F.22,50	266	1.70 A	40	2.20	48	2.90	"
PHIL C	F.25	177	0.20	556	1	261	1.50	"
PHIL P	F.22,50	—	—	27	0.50	100	0.70	"
PHIL P	F.25	—	—	40	1.80	—	—	"
RD C	F.70	18	17 A	—	—	—	—	F.86.70
RD C	F.80	84	7	15	8	—	—	"
RD C	F.90	36	0.80	155	2.50	16	3.60	"
RD C	F.100	60	0.10	100	0.90	—	—	"
RD P	F.80	—	—	10	2 B	—	—	"
RD P	F.90	37	3.60	15	7.50	—	—	"
UNIL C	F.150	—	—	20	7.90	—	—	F.156.20
UNIL C	F.160	10	0.50	—	—	—	—	"
UNIL P	F.150	—	—	22	3.50	10	3	"
UNIL P	F.160	—	—	—	—	10	11	"
		May		Aug.		Nov.		
BASF C	DM.130	50	7	—	—	—	—	DM.154.50
BASF C	DM.140	10	1	50	2	—	—	DM. "

TOTAL VOLUME IN CONTRACTS: 4637

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

March 31, Total Contracts 1,797 Calls 1,421 Puts 376

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP (c)	280	18	—	28	18	36	—	290p
BP (c)	300	7	—	16	—	24	6	"
BP (c)	330	1½	35	7	2	12	—	"
BP (p)	280	6	25	14	—	18	—	"
BP (p)	300	14	100	22	—	28	11	"
BP (p)	360	72	2	72	—	—	—	"
Cons. Gld (c)	390	11	4	25	5	40	3	387p
Cons. Gld (c)	500	1½	—	4	1	5	—	"
Ctlds. (c)	80	9½	55	15½	20	18½	—	89p
Ctlds. (c)	90	3½	18	8	155	12	4	"
GEC (c)	800	37	3	67	—	92	—	829p
GEC (c)	850	9	—	38	4	67	—	"
GEC (p)	750	3	1	12	—	—	—	"
GEC (p)	800	9	2	23	6	30	—	"
GEC (p)	850	30	1	45	12	64	—	"
Gr'd Met. (c)	160	59	—	64	2	—	—	218p
Gr'd Met. (c)	180	39	10	45	—	49	—	"
Gr'd Met. (c)	200	20	125	28	37	32	5	"
Gr'd Met. (c)	220	6	6	14	23	18	55	"
Gr'd Met. (p)	180	½	2	4	—	5	—	"
Gr'd Met. (p)	200	1½	34	6	4	11	4	"
Gr'd Met. (p)	220	8	—	11	20	17	14	"
ICI (c)	300	26	128	40	—	48	—	318p
ICI (c)	330	8	—	21	—	32	10	"
ICI (p)	300	3	—	10	8	14	—	"
ICI (p)	330	14	29	22	—	24	—	"
Land Sec. (c)	280	22	10	32	—	41	—	293p
Land Sec. (c)	300	9	—	19	14	30	—	"
Mks & Sp. (c)	100	57	10	62	—	—	—	156p
Mks & Sp. (c)	130	27	—	32	2	36	—	"
Mks & Sp. (c)	140	17	—	23	21	27	—	"
Mks & Sp. (c)	160	4	4	8½	21	11½	3	"
Shell (c)	330	54	10	68	—	72	—	382p
Shell (c)	360	26	1	38	11	48	—	"
Shell (c)	390	8	81	23	25	30	—	"
Shell (c)	420	2½	120	11	—	—	—	"
Shell (p)	360	6	1	12	—	20	—	"
Shell (p)	390	18	—	24	2	30	—	"
		May		August		November		
Barclays (c)	460	12	2	23	—	37	—	450p
Barclays (p)	460	15	11	23	—	28	4	"
Barclays (p)	500	50	1	57	—	62	4	"
Imperial (c)	80	13½	52	18	5	21	—	93p
Imperial (c)	90	5	5	10½	10	13½	—	"
Imperial (c)	100	½	—	5½	24	7	1	"
Imperial (p)	90	3½	—	4½	5	6	—	"
Lasmo (c)	260	62	3	70	1	82	—	309p
Lasmo (c)	280	45	—	57	4	65	—	"
Lasmo (c)	300	26	11	40	—	47	—	"
Lasmo (c)	330	11	7	27	1	—	—	"
Lasmo (c)	360	5	3	13	13	—	—	"
Lasmo (c)	390	1½	—	7	6	—	—	"
Lasmo (c)	420	1	—	3	1	—	—	"
Lonrho (c)	70	6	2	8	—	11	—	73p
Lonrho (p)	80	8	5	10	—	11	—	"
P & O (c)	110	36	1	—	—	—	—	143p
P & O (c)	120	26	4	31	1	34	—	"
P & O (c)	130	19	64	21	3	24	20	"
P & O (c)	140	10	30	14	30	18	6	"
P & O (c)	160	3	—	7	26	—	—	"
Racal (c)	330	58	3	67	—	75	—	380p
Racal (c)	360	30	—	45	2	56	5	"
Racal (c)	390	11	3	23	10	32	—	"
Racal (p)	360	7	5	12	10	15	—	"
Racal (p)	390	18	—	23	25	28	—	"
Racal (p)	460	85	—	88	10	—	—	"
RTZ (c)	420	20	10	38	—	45	—	417p
RTZ (c)	460	8	—	20	—	27	2	"
RTZ (p)	390	6	20	17	—	20	—	"
Vaal Rfs. (c)	45	3	—	4½	3	6	—	$46
Vaal Rfs. (p)	40	1½	—	3	2	4	—	"

C=Call P=Put

هكذا من الأصل

UK COMPANY NEWS

Dorada anticipates return to profit

AS PREDICTED, Dorada Holdings, the vehicle distribution, engineering and merchanting group remained in the red for 1981 but Mr Thomas Kenny, the chairman, expects a return to profit in the second quarter of the current year.

For the 12 months to end-December the group incurred a pre-tax deficit of £1.56m, compared with £1.35m previously, on turnover down from £67.95m to £52.79m.

At six months the company had fallen £777,000 into the red, compared with a surplus of £85,000 in the corresponding period, after £98,000 (£271,000) losses on a closed branch.

In his interim statement Mr Kenny said although trading conditions were getting better slowly, the group would not be in profit for 1981.

The group is omitting its final dividend—the interim was also passed—but the chairman, who describes the results as "appalling," expresses hope that the company should not be out of the dividend list for too long (2.1p net was paid for 1980).

The preference dividend due on March 31 has also had to be passed and will likely be passed again next September.

The full year figures were struck after lower interest charges of £999,809 (£1.42m) but included a net surplus on property sales of £182,685 (£243,292) and exceptional costs of £247,889 (£460,803).

There was a tax credit this time of £3,471 (£19,553 charge) and extraordinary debits of £747,000 (£2.03m) for closures and reorganisation after which the attributable loss emerged at £2.31m, against £3.36m.

Loss per 25p share is given as 15.4p (13.2p).

In the present accounts the directors sought to anticipate all exceptional and extraordinary costs and say that in the foreseeable future "there will be no more expenses of consequence of this kind."

These costs for the year under review were reduced by profits of £182,000 on property disposals.

Sales of the motor division declined from £52m to £40m reflecting the depressed state of the industry and a serious deterioration of the commercial vehicle market. The continuing motor depots earned £291,000 in 1981 and are in profit for the early months of the current year. They are budgeted to do better in the first six months than for the same period last year.

The results of the engineering sector were a "major disappointment" although sales were only down slightly from £8.7m to £7.2m. Wicksteed returned to profit, however, and although the two machine tool companies traded very badly orders are now improving. They have since been merged and "should be earning profits by the second quarter of 1982."

Mr Kenny says that if the machine tool losses can be arrested the group's major engineering problems "are over."

The merchanting division again had a bad time in 1981—the London and Southampton businesses have been sold, and Birmingham has been closed. Mr Kenny says new products are being sought because "enlarged sales are the answer to resumed profitability."

CCA losses before tax were £1.73m (£1.82m) and on the same basis loss per share was 17p (17.8p).

Mr Terence Shipton has resigned as group managing director and from all executive duties. He has been succeeded by Mr James Philpotts.

● comment

"Dorada is a good horse that has lost too many races recently, so I have decided to change the jockey," said Dorada's chairman on the resignation of managing director Mr T. Shipton. In last year's race the losses increased by 15 per cent to over £1½m at the pre-tax level, and unlike 1980, there was a loss at the trading level. This was almost entirely due to the engineering division where rationalisation accounted for most of the below the line costs. The motor side made an operating profit of almost £300,000 and the company seems both pleased at the Ford price cutting and unconcerned by the possibility of parallel imports. Dorada, having made losses in the first two months of this year, is expecting second quarter profitability, but bottom line losses totalling over £5½m over the past two years have taken their toll of shareholders' funds, and gearing is now around 100 per cent. At 36p unchanged, about half asset value, Dorada is capitalised at £3.68m. British Car Auctions has recently built up a 6.5 per cent equity stake, but this is not thought to herald a bid.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

Interims: Burgess Products, LWT, Trans-Oceanic Trust.

Finals: Bridon, British Vending Industries, Carpets International, John Finlan, Grattan, Jersey Electricity, Ladbroke, Markheath Securities, Thurgar Bardex, Trust Securities.

FUTURE DATES

Interims:	
Harvey and Thompson	April 8
Kwik Save Discount	May 6
Unread	April 16
Sutar Electrical	April 2
Wemyss Investment Trust	April 8
Finals:	
B.S.G. International	April 29
Coates Brothers	April 8
General Scottish Trust	April 16
Laird	April 3
London and Holyrood Trust	April 16
London and Provincial Trust	April 15
Portals	April 7
RMC	April 21
Scottish Mortgage and Trust	April 22

READYMIX FARLEY GRP.

Sydney, Australia, based CSR is merging the quarrying and ready mixed concrete industry interests of its wholly owned subsidiaries Ready Mixed Concrete and Farley and Lewers to form the Readymix Farley Group.

This merger follows the division of the Readymix assets between CSR and BMI last September and CSR's acquisition of all Farley shares.

In addition to its Australian activities, Readymix Farley has operations in Hong Kong, Singapore, the People's Republic of China and the U.S.

Second half boost for Silkolene

MORE stability in the specialised sector of the oil industry in which Silkolene Lubricants operates significantly helped second half taxable profits for 1981 improve from £221,000 to £634,000. The directors are confident that they will record a better performance in the future.

With full year pre-tax profits of this refiner and distributor of areo, motor and industrial lubricants ahead from £868,000 to £945,000, the total dividend has been lifted by 1p to 6p with a final of 4.95p, compared with 3.95p. Stated earnings per share were 15.1p (14.1p).

Strong competition was experienced, say the directors, especially after the August 1981 price rise brought about by the weakening of the pound

Business activity over the second half of 1981 has been maintained at a similar level in 1982, they say.

Although some benefit has been received from the expansion of the special products plant, which was referred to in the interim statement, the directors still await the upturn in industrial activity to realise the full potential of the plant.

Turnover was virtually unchanged at £14m (£14.04m). Tax took £317,000 (£281,000) leaving net profits of £628,000 (£587,000).

Dunlop SA rights to raise R15m

BY THOMAS SPARKS IN JOHANNESBURG

THE 51 per cent owned subsidiary of Dunlop International, Dunlop South Africa, is to raise R15m (£8.04m) with a rights issue to ordinary shareholders. At present the company has 15m ordinary shares in issue. Dunlop International is to follow its rights in full and arrangements are being made for UK-based Dunlop Holdings to underwrite the balance of the issue.

In 1981 Dunlop South Africa made a pre-tax profit of R31.5m on a turnover of R211.4m. It declared a total dividend of 72c from earnings of 128.3c a share. These results were somewhat better than expected by management at the start of 1981.

The directors believe that 1982 will be a year of consolidation as South Africa's economic growth rate is expected to fall sharply. In particular the motor industry, which last year provided 59 per cent of Dunlop's turnover and 60 per cent of its trading profits, is badly affected by lower sales.

The company is engaged in a three-year R25m capital spending programme and is restricted in the amount of debt it can raise locally because of its foreign control.

Magnolia pushes ahead to finish with £0.86m

PARTLY due to a reduction in interest, taxable profits of Magnolia Group (Mouldings) improved from £751,000 to £857,000 in 1981, some £70,000 of the advance coming in the second half compared with a £36,000 increase to £423,000 at midway.

With the year's tax charge, however, jumping from £18,000 to £297,000, the net balance declined from £733,000 to £560,000 and earnings per 10p share of this manufacturer and importer of picture frame mouldings fell from 13.29p to 9.91p. Nevertheless, the net final dividend is lifted to 1.7p for a 2.3p (2.1p) total.

Turnover pushed ahead by 14.4 per cent to £8.34m, but the directors say present sales in the domestic market do not indicate an improvement in the level of demand when compared with last year. In the meantime, the group continues to obtain its share of business available and overseas sales are being maintained.

After extraordinary debits of £24,000 (£27,000), attributable profits totalled £536,000 (£706,000) and, with dividends costing £132,000 (£118,000), the amount retained turned in at £404,000 (£588,000). On a CCA basis the pre-tax figure is shown at £694,000 (£363,000) and that attributable at £395,000 (£313,000).

Upsurge at R. Cartwright

UPSURGE AT R. CARTWRIGH AFTER cutting redundancy costs from £113,441 and reducing interest charges from £161,889 to £115,612, R. Cartwright (Holdings) improved pre-tax profits from £185,094 to £582,630 in 1981.

The final dividend is raised from 2p to 2.75p for an improved total of 4p compared with 3p. Dividends absorb £223,669 (£167,752).

Turnover of this manufacturer of door and window furniture fell slightly from £8.73m to £8.69m, but trading profits climbed from £459,999 to £829,652.

Mr J. C. Northam, the chairman, says it was another extremely difficult year for the group, with the pattern of trading over the first few months following the depressed levels of the previous year. Some improvement in demand did occur over the remainder of the year which, with the rationalisation measures, resulted in better trading figures.

He says future prospects are by no means clear, and it has been necessary to re-introduce some short-time working.

In spite of this, all companies in the group are now operating profitably, and there is ample capacity to increase output sufficiently to meet any upturn in demand which is likely to occur.

Mr Northam says it has been discovered that the value of work-in-progress and finished goods of L & D Installations had been consistently overstated for a number of years. This amounted to about £108,000 at December 31, 1980, and this sum has been deducted from revenue reserves at that date, but it is considered that the effect on the profits in the year ending on that date would not be material.

At December 31 1981, stated earnings per 10p share were up from 4.51p to 8.13p. On a CCA basis, pre-tax profits were £487,830 against losses of £281,906, and earnings per share were 4.65p (nil).

On March 26 1982, Cartwright sold Marshall Bros (Birmingham), a subsidiary, for £65,000, which will result in a tax charge of about £18,000. This subsidiary incurred a pre-tax trading loss of £8,194 in 1981.

RESULTS AND ACCOUNTS IN BRIEF

OLIVES PAPER MILL—Results for 1981 reported on February 27 1982. Shareholders' funds £1.58m (£1.34m); fixed assets £1.29m (£1.17m); current assets £2.51m (£1.89m), including bank and cash balances £2,721 (£3,028); increase in bank borrowings £379,746 (£306,533). Meeting: Charing Cross Hotel, Strand, WC, April 19, at 3.30 pm.

ADAMS AND GIBBON (distributor of motor vehicle products)—Results for year to November 30 1981 already known. Shareholders' funds £4.02m (£3.91m); current assets £5.6m (£5.21m), including debtors and prepayments £1.1m (£1.19m), hire purchase debtors £771,205 (£930,372), bank balances and cash £4,841 (£57,251). Net current assets £2.53m (£2.35m). Meeting: Newcastle-upon-Tyne, April 15, at 11 am.

CHANNEL ISLANDS AND INTERNATIONAL INVESTMENT TRUST—Results for 1981 reported February 18. Current assets £713,778 (£564,421); current liabilities £367,490 (£408,405); increase in liquidity £34,650 (£47,457). Meeting: Jersey, April 26, noon.

BLAGDEN INDUSTRIES (packaging, plastics, chemicals)—Results for 1981 and prospects reported March 2. Shareholders' funds £14.02m (£13.74m). Fixed assets £13.52m (£13.38m); current assets £23.31m (£22.46m); current liabilities £13.91m (£12.75m). Decrease in working capital £896,000 (£2.53m). Meeting: Connaught Rooms, WC, April 15, noon.

T. F. AND J. H. BRAIME (HOLDINGS)—Results for 1981 already known. Shareholders' funds £1.72m (£1.71m); net current assets £1.38m (£1.34m). Increase in net liquid funds £85,884 (£251,412). Meeting: Leeds, April 19, at 3.15 pm.

NEW DARIEN OIL TRUST (investment trust)—Results for first year of operation to January 31 1981 reported February 26. Investments at valuation £7.25m; net current assets £1.03m; shareholders' funds £8.32m. Meeting: Edinburgh, April 22, noon.

INDEPENDENT NEWSPAPERS—Results for 1981 reported on March 13. Net application of funds Ir£2.25m (Ir£3.3m); net current assets £2.56m (£892,000); shareholders' funds £11.87m (£10.1m). During 1982 the company is to acquire the entire minority shareholding in Sunday World. Annual meeting: Dublin 2 on April 23 1982 at noon.

BROOKS WATSON GROUP (Dublin based holding company)—Results for 1981 and prospects reported March 12. Shareholders' funds Ir£8.81m (Ir£11.28m); bank term loans £1.07m (£5.53m); net current assets £7.76m (£3.74m); fixed assets £7.96m (£12.44m); net inflow of liquid funds £2.56m (£362,000 outflow); decrease in working capital £441,000 (£811,000); CCA pre-tax profits £785,000 (£569,000 losses) against historic profits £1.58m (£560,000). Meeting: Dublin, May 6, noon.

ALLIED INTERNATIONAL DESIGNERS GROUP (management services, consultancy and research)—Results for year to October 31 1981 and prospects reported March 9. Shareholders' funds £1.24m (£720,198); net current liabilities £71,818 (£720,077 assets); decrease in working capital £99,394 (£27,521); CCA pre-tax profits £103,802 against historical £129,389. Meeting: Winchester House, EC, April 21, 10 am.

MARTIN-BLACK (Scottish wire rope manufacturer)—Results for the year to December 31 1981 as reported March 15. Fixed assets £1.76m (£2.28m); net current assets £2.55m (£1.89m); shareholders' funds £4.16m (£4.57m); decrease in working capital £191,000 (£687,000). Meeting: Coatbridge, April 30 1982 at 12.30 pm.

BRITISH VITA (maker of polymeric products)—Results for 1981 with prospects reported March 9. Group shareholders' funds £39.02m (£35.29m). Fixed assets £23.55m (£21.8m). Net current assets £12.37m (£12.85m). Net cash balances decreased £835,000 (£2.19m increase). Current cost pre-tax profits £5.69m (£4.16m). Meeting, Manchester, April 20, at 2.30 pm.

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AUTHORISED TRUSTS

CURRENCIES, MONEY and GOLD

Yen at 2 year low

The Japanese yen fell to a two-year low against the dollar yesterday despite heavy intervention by the Bank of Japan in Tokyo trading. An ever widening gap between U.S. and Japanese interest rates contributed to the weaker trend while comments by Japanese officials were interpreted by the market as showing reluctance to support the yen and this added further to the decline.

The dollar was fairly steady ahead of the month end but weakened after the Bundesbank and other European banks sold considerable sums of dollars.

Sterling was slightly firmer overall in generally featureless trading.

The D-mark was again the strongest member of the European Monetary System yesterday followed by the Dutch guilder. The French franc was slightly weaker as domestic rates eased but it stayed above the lira and punt and the weakest member the Belgian franc. The latter remained within its divergence limit with figures released yesterday showing that the central bank spent the equivalent of BFr 16bn last week in support of the Belgian unit.

DOLLAR — Trade-weighted index (Bank of England) 116.1 against 115.5 on Tuesday and 109.2 six months ago. Three-month Treasury bills 13.44 per cent (14.10 per cent six months ago). Annual inflation 7.7 per cent (8.4 per cent previous month)—The dollar closed at DM 2.4125 from DM 2.4135 against the D-mark and SwFr 1.9325 from SwFr 1.9360. It finished at a two-year high against the Japanese yen at Y248 compared with Y246.05.

STERLING — Trade-weighted index 91.0 against 90.9 at noon and at the opening and 90.8 at Tuesday's close (87.4 six months ago). Three-month interbank 13⅛ per cent (16⅛ per cent six months ago). Annual inflation 11 per cent (12 per cent previous month)—Sterling opened at $1.7760 against the dollar and traded for most of the day at $1.7820-1.7830. It closed at $1.7815-1.7825, just 5 points lower than Tuesday's close in London. Against the D-mark it slipped to DM 4.30 from DM 4.3050 and SwFr 3.4450 from SwFr 3.4525. It improved against the French franc, however, to FFr 11.1550 from FFr 11.13 and Y442 from Y438½.

D-MARK — EMS member (strongest). Trade weighted index 123.0 against 122.8 on Tuesday and 120.1 six months ago. Three-month interbank 9.55 per cent (12.20 per cent six months ago). Annual inflation 5.1 per cent (5.3 per cent previous month). The D-mark was mostly stronger at yesterday's fixing in Frankfurt. The dollar fell to DM 2.4142 from DM 2.4150 after the Bundesbank had sold $33.45m while sterling dipped to DM 4.3020 from DM 4.3090. The Bundesbank was probably also active outside the fixing helping to keep the dollar from rising too much and was assisted by a slight easing in Euro-dollar rates. This together with intervention by other central banks kept the dollar from continuing its recent firmer trend. Within the EMS the French franc slipped to DM 38.64 per FFr 100 from DM 38.69 while the Belgian franc was unchanged at DM 5.2970 per BFr 100. Elsewhere the Swiss franc slipped to DM 1.2483 from DM 1.2540.

EURODOLLAR rates showed little change during the day while the forward dollar narrowed slightly against sterling. There was little overall change in currencies in the forward market. The D-mark claimed a slightly higher premium despite little change in Euro D-marks. Three-month Euro-French franc rose steadily during the day and the franc was correspondingly weaker in the forward market.

THE POUND SPOT AND FORWARD

March 31	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7760-1.7850	1.7815-1.7825	0.30-0.40c dis	-2.36	0.85-0.95dis	-2.02
Canada	2.1830-2.1960	2.1905-2.1915	0.50-0.60c dis	-3.01	1.50-1.60dis	-2.83
Nethlnd.	4.75½-4.79½	4.76½-4.77½	2¼-2c pm	5.66	6¼-5¾ pm	5.03
Belgium	80.85-81.50	80.90-81.00	20-35c dis	-4.08	65-80 dis	-3.58
Denmark	14.64-14.70	14.66-14.67	3-4ore dis	-2.86	9¾-11¼ dis	-2.86
Ireland	1.2375-1.2455	1.2405-1.2415	0.67-0.79p dis	-7.06	1.90-2.07dis	-6.40
W. Ger.	4.29-4.32	4.29½-4.30½	1½-1¼pf pm	4.19	4¾-4½ pm	4.19
Portugal	127.25-128.10	127.45-127.75	40-140c dis	-8.46	210-245 dis	-7.13
Spain	189.85-190.50	190.00-190.20	80-105c dis	-5.84	210-245 dis	-4.79
Italy	2,352-2,360	2,353-2,355	34-38 lire dis	-18.35	76-81 dis	-13.34
Norway	10.87-10.92	10.87½-10.88½	3½-4¾ore dis	-4.48	7¼-8¼ dis	-2.92
France	11.09-11.16	11.15-11.16	15-18c dis	-17.75	32-36 dis	-12.18
Sweden	10.57-10.61	10.58-10.59	¾-¼ore pm	0.49	2¼-1¾ pm	0.80
Japan	437-444	441½-442½	2.70-2.40y pm	6.92	7.30-7.00 pm	6.47
Austria	30.15-30.30	30.18-30.23	13¾-10¼gro pm	4.82	34-27½ pm	4.07
Switz.	3.43½-3.47	3.44-3.45	2¾-2¼c pm	8.71	7-6½ pm	7.84

Belgian rate is for convertible francs. Financial franc 93.70-93.80. Six-month forward dollar 1.70-1.60c dis, 12-month 2.90-3.00c dis.

THE DOLLAR SPOT AND FORWARD

March 31	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7760-1.7850	1.7815-1.7825	0.30-0.40c dis	-2.36	0.85-0.95dis	-2.02
Ireland†	1.4315-1.4370	1.4350-1.4370	0.62-0.52c pm	4.78	1.60-1.45 pm	4.26
Canada	1.2280-1.2310	1.2305-1.2310	0.07-0.10c dis	-0.83	0.23-0.26dis	-0.80
Nethlnd.	2.6730-1.6830	2.6730-2.6760	1.78-1.68c pm	7.76	4.72-4.62 pm	6.98
Belgium	45.42-45.60	45.42-45.44	4-10c dis	-1.84	20-27 dis	-2.06
Denmark	8.2250-8.2450	8.2250-8.2350	0.45-0.65ore dis	-0.80	1.40-1.90dis	-0.80
W. Ger	2.4090-2.4275	2.4120-2.4130	1.33-1.28pf pm	6.49	3.76-3.71 pm	6.19
Portugal	71.55-71.95	71.55-71.75	40-120c dis	-13.40	115-315dis	-12.00
Spain	106.65-106.90	106.80-106.85	30-45c dis	-4.21	80-100 dis	-3.37
Italy	1,321-1,324	1,321-1,322	17-20 lire dis	-16.77	37-41 dis	-11.79
Norway	6.1050-6.1220	6.1100-6.1200	1.80-2.10ore dis	-3.83	1.80-2.10dis	-1.27
France	6.2350-6.2640	6.2575-6.2625	8¾-9¼c dis	-16.79	15½-17½dis	-10.55
Sweden	5.9390-5.9525	5.9400-5.9500	1.35-1.20ore pm	2.57	4.40-4.25 pm	2.91
Japan	246.70-249.10	247.56-248.05	1.95-1.80y pm	9.07	5.30-5.15 pm	8.43
Austria	16.95-16.98½	16.96½-16.97½	10½-9½gro pm	6.98	27¾-24¾ pm	6.18
Switz.	1.9300-1.9475	1.9320-1.9330	1.84-1.76c pm	11.18	4.78-4.70 pm	9.81

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Mar. 31	Bank of England Index	Morgan Guaranty Changes%
Sterling	91.0	-33.7
U.S. dollar	116.1	+8.4
Canadian dollar	89.2	-18.3
Austrian schilling	116.6	+25.2
Belgian franc	94.7	-3.1
Danish kroner	82.8	-14.1
Deutsche mark	123.0	+46.6
Swiss franc	153.4	+105.3
Guilder	113.9	+21.3
French franc	79.0	-15.1
Lira	54.2	-58.2
Yen	135.7	+27.7

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Mar. 30	Bank rate %	Special Drawing Rights	European Currency Units
Sterling	—	0.624909	0.557720
U.S. $	12	1.11340	0.991355
Canadian $	15.11	1.36681	1.22133
Austria Sch.	6½	18.8215	16.8674
Belgian F.	14	50.7237	45.3066
Danish Kr.	11	9.15210	8.18524
D mark	7½	2.68880	2.40285
Guilder	8	2.97946	2.66517
French Fr.	9½	6.95151	6.21294
Lira	19	1472.19	1312.71
Yen	5½	275.010	245.379
Norwgn. Kr.	9	6.81846	6.07685
Spanish Pts.	8	118.643	105.792
Swedish Kr.	10	6.61137	5.90997
Swiss Fr.	5½	2.16245	1.93059
Greek Dr'ch.	20½	—	62.4371

OTHER CURRENCIES

Mar. 31	£	$		£ Note Rates
Argentina Peso	20,612-20,658	11,550-11,600	Austria	30.10-30.40
Australia Dollar	1.6985-1.7005	0.9520-0.9525	Belgium	84-86
Brazil Cruzeiro	263.00-264.00	147.47-148.11	Denmark	14.62-14.76
Finland Markka	8.247-8.263	4.6200-4.6220	France	11.08-11.18
Greek Drachma	122.981-121.861	68.70-68.90	Germany	4.28½-4.32½
Hong Kong Dollar	10.407-10.419	5.8370-5.8420	Italy	2325-2365
Iran Rial	147.00*	82.50*	Japan	442-447
Kuwait Dinar (KD)	0.505-0.512	0.2867-0.2868	Netherlands	4.75½-4.79½
Luxembourg Fr.	80.90-81.00	45.42-45.44	Norway	10.86-10.96
Malaysia Dollar	4.1665-4.1730	2.3370-2.3390	Portugal	125-135
New Zealand Dlr.	2.3285-2.3305	1.3040-1.3060	Spain	189-194
Saudi Arab. Riyal	6.09-6.10	3.4205-3.4210	Sweden	10.54-10.64
Singapore Dollar	3.7975-3.8040	2.1300-2.1350	Switzerland	3.44½-3.48½
Sth. African Rand	1.8780-1.8810	1.0540-1.0555	United States	1.77¼-1.79¼
U.A.E. Dirham	6.49-6.55	3.6725-3.6735	Yugoslavia	93-103

† Now one rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 31	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.6963	45.3008	+1.35	+1.35	±1.5440
Danish Krone	8.18382	8.19127	+0.09	+0.09	±1.6428
German D-Mark	2.41815	2.40083	-0.71	-0.71	±1.1097
French Franc	6.19564	6.21543	+0.32	+0.32	±1.3743
Dutch Guilder	2.67296	2.66331	-0.36	-0.36	±1.5069
Irish Punt	0.686799	0.692302	+0.80	+0.80	±1.6689
Italian Lira	1305.13	1315.39	+0.79	+0.79	±4.1242

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for March 31 .... 0.558308

EXCHANGE CROSS RATES

Mar. 31	Pound St'rling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.782	4.300	442.0	11.155	3.445	4.770	2354.	2.191	80.95
U.S. Dollar	0.561	1.	2.413	248.0	6.260	1.933	2.677	1321.	1.230	45.45
Deutschemark	0.233	0.414	1.	102.8	2.594	0.801	1.109	547.4	0.510	18.83
Japanese Yen 1,000	2.262	4.032	9.729	1000.	25.24	7.794	10.79	5326.	4.957	183.1
French Franc 10	0.896	1.597	3.855	396.2	10.	3.088	4.276	2110.	1.964	72.57
Swiss Franc	0.290	0.517	1.248	128.3	3.238	1.	1.385	683.3	0.636	23.50
Dutch Guilder	0.210	0.374	0.901	92.66	2.339	0.722	1.	493.5	0.459	16.97
Italian Lira 1,000	0.425	0.757	1.827	187.8	4.739	1.463	2.026	1000.	0.931	34.39
Canadian Dollar	0.456	0.813	1.963	201.7	5.091	1.572	2.177	1074.	1.	36.95
Belgian Franc 100	1.235	2.201	5.312	546.0	13.78	4.256	5.893	2908.	2.707	100.

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 31)

3 months U.S. Dollars		6 months U.S. dollars	
bid 15 3/8	offer 15 1/2	bid 15 7/16	offer 15 9/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Mar. 31	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc: Convertible	Japanese Yen
Short term	13-13⅛	15⅝-15⅞	16-17	7¾-8	1-1¼	9 1/16-9 3/16	25-35	30-35	12-14½	6¼-6¾
7 days' notice	13¼-13⅜	15⅜-15⅝	16-17	8¼-8¾	2¾-3	9⅛-9¼	25-35	28-38	15½-20	6¾-6⅞
Month	13½-13⅝	15⅝-15⅞	16-16⅜	8¼-8⅜	4 3/16-4 5/16	9 3/16-9¼	29-31	30¾-33¾	16½-17¼	[illegible]
Three months	13½-13⅝	15⅝-15⅞	16¼-16⅝	8 5/16-8 7/16	5¼-5⅜	9 3/16-9¼	25½-27½	27-28½	17-18	[illegible]
Six months	13⅝-13¾	15⅜-15⅝	16⅜-16¾	8⅝-8¾	5 7/16-5 9/16	9 3/16-9 5/16	21-23	24⅞-25⅞	16⅝-17⅝	[illegible]
One Year	13 9/16-13 11/16	15¼-15½	16⅝-17	8⅞-9	6 1/16-5 15/16	9⅛-9¼	19-21	23¾-24⅞	15⅞-16⅞	[illegible]

BFr (financial): short-term 12½-13½ per cent; seven days' notice 13-13¾ per cent; one month 13⅛-13⅝ per cent; three months 14½-14¾ per cent; six months 14⅝-14⅞ per cent; one year 14⅝-14⅞ per cent.

SDR linked deposits: one month 14 5/16-14 11/16 per cent; three months 13 13/16-14 3/16 per cent; six months 13 13/16-14⅛ per cent; one year 13⅝-13¾ per cent.

ECU linked deposits: one month 15⅞-16⅛ per cent; three months 14⅞-15⅛ per cent; six months 14⅛-14⅜ per cent; one year 13⅝-14 per cent.

Asian (closing rates in Singapore): one month 15 5/16-15 7/16 per cent; three months 15 7/16-15 9/16 per cent; six months 15½-15⅝ per cent; one year 15⅜-15½ per cent. Long-term Eurodollar two-years 15¼-15½ per cent; three years 15⅜-15⅝ per cent; four years 15½-15⅝ per cent; five years 15½-15⅝ per cent nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.

The following rates were quoted for London dollar certificates of deposit: one month 15.00-15.10 per cent; three months 15.10-15.20 per cent; six months 15.10-15.20 per cent; one year 15.10-15.20.

MONEY MARKETS

Revised shortage

London clearing bank base lending rate 13 per cent (since March 12)

Difficulty in estimating the level of Exchequer transactions near the end of the financial year continued to disrupt the London money market yesterday. The Bank of England revised its estimate of the shortage of day-to-day credit three times, from an opening forecast of £300m, to £350m at noon, and £400m shortly after, but back to £350m in the afternoon.

Major factors were: bills maturing in official hands and a market take-up of Treasury bills −£142m, plus the unwinding of bill repurchase agreements −£345m. These outweighed Exchequer transactions of +£200m.

In the morning the Bank of England gave £383m of assistance by buying £17m bank bills in band 1 (up to 14 days maturity) at 13½ per cent, and £366m bank bills in band 2 (15-33 days) at 13-13 1/16 per cent. Total help provided was £411m, with the authorities purchasing a further £28m bank bills in band 3 (34-63 days) at 12⅞-12 15/16 per cent in the afternoon.

Short-term interest rates showed little change, with most interbank periods steady at 13 9/16-13 11/16 per cent. Overnight money opened at 13-13¼ per cent, and touched a peak of 13½-13¾ per cent, before closing at around 8 per cent.

In Amsterdam call money rose sharply ahead of an expected money market deficit resulting from payment on a state loan. This will drain about Fl 2.8bn from the market today, but Government disbursements are likely to reduce the overall shortage to about Fl 1bn. Call money opened at 4-5 per cent, compared with 1-2 per cent, and advanced to around 7 per cent, while period rates also showed an upward trend overall. Call money is expected to stabilise at 8 per cent in the first week of April but may ease in the second week of the month as seasonal Government payments move the market into surplus.

In Paris the seven-day Treasury bill discount rate was cut by 1 per cent to 19 per cent by the Bank of France.

GOLD

Weaker trend

Gold lost $5¼ an ounce from Tuesday's close in the London bullion market yesterday to finish at $319½-320½. Business was rather quiet ahead of the month end and the finish of the financial year. The metal touched a best level of $320½-$321½ and a low of $317½-318½.

In Frankfurt the 12½ kilo bar was fixed at DM 25,010 per kilo ($321.85 per ounce) against DM 25,475 ($327.97) previously and closed at $319½-320½ from $324-325.

In Paris the 12½ kilo bar was fixed at FFr 65,400 per kilo ($326.88 per ounce) in the afternoon compared with FFr 65,400 ($325.98) in the morning and FFr 66,200 ($329.79) on Tuesday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $319.75 compared with $326.50.

In Zurich gold finished at $319-322 from $323-326.

	Mar. 31		Mar. 30	
Gold Bullion (fine ounce)				
Close	$319½-320½	(£178⅞-179⅜)	$325¼-326¼	(£182½-183)
Opening	$317½-318½	(£178¾-179¼)	$326½-327½	(£183.3-183.8)
Morning fixing	$320.50	(£180.016)	$325.75	(£182.821)
Afternoon fixing	$320	(£179.473)	$324.25	(£181.958)
Gold Coins				
Krugerrand	$330½-331½	(£185½-186)	$334½-335½	(£187¾-188¼)
1/2 Krugerrand	$170¼-171¼	(£95½-96)	$172-173	(£96½-97)
1/4 Krugerrand	$86¾-87¾	(£48¾-49¼)	$87½-88½	(£49-49¾)
1/10 Krugerrand	$35¼-35¾	(£19¾-20¼)	$35¾-36¾	(£20-20¾)
Mapleleaf	$331-332	(£185¾-186¼)	$335½-336½	(£188¼-188¾)
New Sovereigns	$78½-79	(£44-44¼)	$79¼-79¾	(£44½-44¾)
King Sovereigns	$94-95	(£52½-53)	$98-99	(£55-55½)
Victoria Sovs.	$94-95	(£52½-53)	$98-99	(£55-55½)
French 20s	$78-88	(£43¾-49¼)	$78¾-88¾	(£44¼-49¾)
50 pesos Mexico	$398-401	(£223¼-225)	$402-404¾	(£225½-227)
100 Cor. Austria	$311½-314	(£174¾-176¼)	$315-317½	(£176¾-178)
$20 Eagles	$445-450	(£249¾-252½)	$447-452	(£250¾-253½)

MONEY RATES

NEW YORK

Prime rate	16½
Fed. funds (lunch-time)	17-17¼
Treasury bills (13-week)	13.44
Treasury bills (26-week)	13.31

GERMANY

Special Lombard	9.50
Overnight rate	9.525
One month	9.575
Three months	9.575
Six months	9.40

FRANCE

Intervention rate	17.0
Overnight rate	17.0
One month	16.625
Three months	16.0625
Six months	15.25

JAPAN

Discount rate	5.50
Call (unconditional)	7.03125
Bill discount (three-month)	6.53125

LONDON MONEY RATES

Mar. 31 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	8-13⅝	13¼-13⅜	—	—	12¾-13½	11-12½	—	—	—
2 days notice	—	—	13½-13⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	13⅛-13⅜	13⅝	—	—	13¼-13⅝	12⅞-13	—	—	—
One month	13⅝-13 9/16	13½-13⅝	13⅛	14¼-14⅞	13⅝	13¾	12⅞	13 1/32-13⅛	13 3/16	13⅞
Two months	13⅝-13 9/16	13 9/16-13 11/16	—	14⅛-13¾	13 7/16	13⅞	12¾	12 29/32-12⅞	12 31/32-12⅞	13½
Three months	13⅝-13 9/16	13 9/16-13 11/16	13⅝	14-13⅝	13 11/16	13⅞	12⅝-12½	12 13/16-12⅝	12⅝	13⅝
Six months	13 13/16-13 23/32	13 9/16-13 11/16	13⅝	13⅝-13	13⅝	—	—	—	12⅜-12 29/32	13 5/16
Nine months	13 27/32-13 25/32	13 9/16-13 11/16	—	13⅞-13⅝	13⅝	—	—	—	—	—
One year	13 25/32-13 25/32	13 11/16-13 13/16	13½	13¾-13½	13⅝	—	—	—	—	—
Two years	—	—	13¾	—	—	—	—	—	—	—

Local authorities and finance houses seven day's notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 14 per cent; four years 14⅛ per cent; five years 14⅛ per cent. ◆Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12⅞-12⅞ per cent; four months trade bills 13⅝ per cent.

Approximate selling rates for one month Treasury bills 12 31/32-13 1/32 per cent; two months 12 29/32-12⅞ per cent; three months 12½-12 25/32 per cent. Approximate selling rate for one month bank bills 13 1/32 per cent; two months 12⅞-12 29/32 per cent and three months 12 7/16 per cent; one month trade bills 13¾ per cent; two months 13⅝ per cent; three months 13⅜ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from April 1, 1982. Clearing Bank Deposit Rates for sums at seven day's notice 10-10½ per cent. Clearing Bank Rates for lending 13 per cent. Treasury Bills: Average tender rates of discount 12.5132 per cent. Certificates of Tax Deposit (Series 5) 13½ per cent from March 8. Deposits withdrawn for cash 11 per cent.

هكذا من الأصل

The flamboyant oil trader and the Swiss bankers

By John Griffiths

LATER THIS month the New York State Supreme Court will give its final ruling on whether what is believed to be the largest civil claim ever brought against a foreign bank in the U.S. should proceed.

David Thieme and his Essex Overseas Petroleum Corporation are seeking $125m damages against Switzerland's third largest bank, Credit Suisse, on grounds of false arrest and malicious prosecution.

The allegations are made by way of a counter-claim in a suit brought by Credit Suisse seeking payment of alleged debts. Last month, however, Credit Suisse sought to have the Thieme suit dismissed. The court refused, but the decision is currently subject to review.

The final outcome of this unusual case will be watched with great interest by a number of parties, and for a variety of reasons.

David Thieme's name might not ring a bell in every household—but oil spot market traders and anyone remotely connected with grand prix motor racing know it well and Colin Chapman, head of Britain's Lotus racing organisation, in particular, will be following New York developments with more than casual interest.

For the tall, lean and somewhat sinister-looking figure of Mr Thieme burst in on the grand prix world in 1979 much like Clint Eastwood through a set of bat-wing saloon doors. He even looked the part: High Plains Drifter hat, eyes shrouded behind dark glasses, jet black beard and long cheroot.

One moment, hardly anyone was aware of the existence of Mr Thieme and his Monaco-based Essex Overseas Petroleum Corporation. The next, grand prix teams, the sponsors who pour millions into them and

> A trap had snapped shut on him in the pannelled boardroom of the bank's headquarters.

anyone else connected with the business were taken aback at the transformation wrought by Mr Thieme and Essex on his chosen Lotus team.

Suddenly the bright blue, silver and red motif of Essex was everywhere: on Lotus cars, including a roadgoing production model, on billboards and on huge balloons floating above the world's circuits. Mr Thieme and his oil spot-trading and refining operation seemed to be throwing at Lotus not fistfuls of dollars but barrow-loads.

A year ago, Mr Thieme, threw a party for "a few friends"—about 1,000, at the Albert Hall. In what had become true Essex style, the place was transformed into a giant Essex ad. The minor diversion of a door prize was the keys—to the Lotus Esprit Turbo in the foyer. Guests as diverse as the governor of the Tower of London and Ford UK chairman Sam Toy—the latter between bouts of watering millions of Essex-coloured carnations with the vintage champagne from the meal overseen by Moulin de Mougins chef Roger Verge—mused both on Mr Thieme's origins and his apparent role as truly the last of the great spenders . . .

Six weeks later, Swiss newspapers trumpeted that Mr Thieme, now facing fraud and embezzlement charges lodged by Credit Suisse, had been arrested at Zurich airport while en route to Argentina.

Mr Thieme was not arrested at the airport. A trap had snapped shut on him in the panelled board room of the bank's Paradeplatz headquarters, to which he had gone for what he had believed to be talks on the financial problems crowding in on Essex as a result of the plummeting oil spot market.

Instead, he spent 13 days in jail while Credit Suisse complaints against him were investigated. He was set free, but with Credit Suisse charges that he had committed fraud and embezzlement of $4.2m of Credit Suisse funds, and claimed debts of $40m, still hanging over him.

Eight months after his arrest, the Swiss prosecutors' office dropped the charges against him. Six days after that, the Zurich Appellate court upheld a lower court decision that Credit Suisse had contradicted "the principle of good faith in business relationships" in obtaining his arrest at the Paradeplatz.

Credit Suisse did not appeal, and has declined all comment.

Mr Thieme tried to strike back in the Swiss courts, filing criminal charges alleging deprivation of liberty, menaces and coercion by four of the bank's senior executives, and seeking damages of SwFrs 400m. But his charges, too, were disallowed.

The litigation has spread out, with Mr Thieme filing criminal charges in Monaco against officers at the bank for an alleged break-in at his Monte Carlo offices, and Credit Suisse seeking the winding-up of Essex in the Cayman Islands, where it is registered. The main focus now, however, is on New York.

With the exception of the break-in allegations, however, what is left is primarily a commercial dispute, involving for Credit Suisse an attempt to reclaim its alleged $40m; for Mr Thieme and Essex a fight to resume a business badly hit by the proceedings of the past 10 months, and to restore its presence in motor racing. Tobacco company John Player this year stepped into Essex's shoes by reviving its old sponsorship ties with Lotus in Essex's stead.

Mr Thieme freely admits that the bank is owed money, although he disputes the amount. The debts grew out of the spot market collapse as the world oil scene changed from one of shortage to glut. Mr Thieme's company makes its money from transporting, refining and marketing petroleum products using leased shipping and refining capacity. He ranks it about tenth in the 50-strong list of independents.

Credit Suisse was Mr Thieme's largest source of finance by far, with a revolving credit line that had reached $100m at the time of his arrest. That had grown from $5m at the time Mr Thieme's first links with the bank were forged when he expanded operations from Texas into Europe in 1977.

It was perhaps inevitable that the figure cut by Mr Thieme contrasted rather starkly with conservative Swiss bank boardrooms. But Mr Thieme, softly-spoken and almost obsessively polite, insists that he is not mysterious, sinister or a playboy.

Forty-one years old, born in Minneapolis, he began working as an industrial designer. His design business was making a lot of money already when he was offered an investment in a Texas wildcat drilling venture. It paid off, and Mr Thieme became hooked on the oil business.


Mr David Thieme: formula for making a splash.

Early deals were modest and self-financing — marrying up supplier and receiver. "Then," according to Mr Thieme, "we started to finance our own, mostly joint ventures with the first and second level of independents."

What grew up was a network of about a dozen independent trading companies under the Essex umbrella scattered around the world engaged in transport, refining and marketing. The main operating centres are in Monaco, Africa, the U.S., and the Middle East, with representative and liaison offices spread around centres which include Singapore, Ecuador, Tokyo, Houston, New York, and Paris. For all that, the whole network is very small, totalling about 35 people. It is, claims Mr Thieme, "a simple business—at least it was until the market fell out of bed.

"It's a percentage game: you take a small percentage of a colossal sum and you make big money. Sometimes it works. Lately, however, it hasn't worked as well as a lot of independent oil barons would want it to." The formula sounds simple enough—buy from the producer at the lowest rate and either move the crude to a refinery or refine it and then sell the products. It is hardly capital or labour intensive, requiring not much more than a good computer and communications network.

Mr Thieme also insists that the motivation behind the motor racing sponsorship, the parties, the "glamour" and mystique built up for Essex was straightforward. Essex, as a European newcomer, wanted to make its presence felt. But its potential customers are numbered in the few hundreds, just because of the nature of its business.

In that sense, the formula for making a splash was clear-cut: treat grand prix racing as a globally mobile hospitality venture: back a team, splash tinsel around the paddock—the giant Essex balloons provided a presence to TV cameras and their audiences of 90m, of a

> ❛ If someone had thrown a bomb in there it would have wiped out the oil industry, period. ❜

size out of all proportion to their cost — and bring the customers — Europe-based one week, South American a bit later—to a "well-watered" event.

The same went for the Albert Hall parties, of which last year's was the third and much the most spectacular. "We made it coincide with the annual Institute of Petroleum Congress," says Mr Thieme, "it's one time of the year when all the commercial industry is gathered together in a bunch.

"Of the 1,000 people in that hall, 500 were the bona fide oil men who really matter to us — if someone had thrown a bomb in there it would have wiped out the oil industry, period.

"Call it, if you like, a surgical strike — a once a year chance to get at guys who you can't get to in the ordinary course of events — we all belong behind our desks in this business."

In that context, claims Mr Thieme, the amounts spent were far less than the £1m widely speculated as the cost of last year's junket: "It cost a lot — but nothing like that." The same, insists Mr Thieme, applied to the Lotus sponsorship. "We were quoted as putting £3m a year into Lotus — it was always much, much less than that; certainly under £1m and commensurate with other sponsors' injections."

There is an explanation, too, for his appearance. Beneath

from sunburn and eyestrain standing around in the heat of a South American grand prix. They became part of his "uniform" — "I thought, well I've got to have them, why not have some fun with them . . .?"

Little of the glamour attaches to his workaday lifestyle. He holds no title — "home" is a suite in Monte Carlo's Hotel de Paris, his car a Mercedes. When he occupies his table in the hotel bar, it is almost invariably with business colleagues, with not a female in sight.

Why Credit Suisse chose to pursue criminal charges against Mr Thieme may emerge in court in New York; Mr Thieme claims his own guess is that the bank had become ultra-sensitive in the wake of past controversies such as the Chiasso affair — when three of the bank's own staff were involved in the mischannelling of £543m in 1977 — and that the public image built around Essex may not have helped.

The certainty is that the case will be watched with close interest from two touchlines: on one, the motor racing and oil fraternity, on the other, the Swiss banking community, wondering to what extent yet another confrontation may crop up in the court over the confidentiality of Swiss banking regulations.

Switzerland's banking system is already under mounting pressure for greater transparency of its operations. And this will increase sharply if a current EEC Commission draft directive is adopted requiring the consolidation on an EEC-wide basis of bank reporting. This would give the "home" state of a bank the possibility to supervise activities throughout the EEC—and it expects member States to enter similar agreements with non-EEC states on a bilateral basis. Switzerland, clearly, heads the non-EEC list.

INTERNATIONAL COMPANIES and FINANCE

Amstar edges out of sugar cycle

AMSTAR is a name, more than any other in the U.S. associated with the sugar business.

Owner of the dominant trade mark, Domino, and formerly known as American Sugar, Amstar is the country's largest sugar processor, accounting for almost 15 per cent of all nutritive sweeteners (sugar plus corn syrups) consumed in the U.S.

So, it is a matter of some interest that Amstar is slowly but surely edging away from the sugar business and assembling a range of diverse businesses in fields as far apart as portable tools and quartz crystals, and this at a time when others, notably Tate and Lyle, have been building up their U.S. sweetener interests.

The aim, says Mr Bob Quittmeyer, the company's chairman, is to reduce sweeteners to a less than 50 per cent share of the company's operating profits in the near term.

Last year, Amstar's net earnings were $73.4m net on sales of $1.98bn. The sweetener business accounted for $1.78bn of the sales and $153.4m of the $166.2m of operating profits. However, this gives a somewhat misleading impression because Amstar's June fiscal year contained six months of very strong sugar prices, which boosted earnings from the beet sugar division.

The diversification process has its roots in 1959, when the Castro Government in Cuba confiscated two valuable Amstar operations and convinced the U.S. company's management that the time had come to reduce its 100 per cent exposure to sugar.

Initially, the diversification was within the sweetener business itself. But in 1968 the purchase of Duff-Norton, which makes hoists, jacks and other industrial equipment, started a real acquisition trend since developed with the takeover of Milwaukee Electric Tool in 1976 and, at the end of last year, the biggest deal yet—the purchase for $86m of the technology business of troubled Norlin.

Mr Quittmeyer is as blunt as of the market, a strategy which in the current climate of falling sugar prices and even lower HCFC prices he is finding no reason to regret.

Two HCFC operations, owned by Holly Sugar and Nabisco Brands, have been forced to close recently. So too, since 1975, have 14 beet sugar plants and

Ian Hargreaves examines the diversification strategy of the largest U.S. sugar processor

could be about the need to continue transferring Amstar's resources out of sugar, which he considers a mature business certain to be plagued by overcapacity for the foreseeable future. "I would not buy a sugar company," he says.

The reasons, he says, are fairly simple. U.S. demand for nutritive sweeteners has followed, fairly closely, the population curve, meaning that there has been no significant change in basic demand for many years. Consumption per capita is stagnant at around 125 to 127 pounds a year.

Within that total, matters have been made worse for the sugar companies by the growing market share of corn-based sweeteners, notably the growing use by soft drinks companies of high fructose corn syrup (HCFC), whose use was stimulated during the world sugar price explosion in 1974-75. Together, all corn sweeteners took 37 per cent of the U.S. sweetener market last year, compared with 24 per cent in 1976. Amstar projects the share to peak at 41 per cent in 1983.

Mr Quittmeyer's crucial decision in the 1970s was to restrict Amstar's activities in the capital-intensive HCFC area to achieving a modest 4-5 per cent four cane sugar refineries. Among the latest casualties is a large Amstar beet processing unit at Salinas, California.

Although action taken late last year by the U.S. Government to re-introduce a price support mechanism for U.S. sugar producers should help to stabilise prices in a period of weak demand, Mr Quittmeyer's strategic view remains negative, in part because of what he naturally feels to be a disastrous EEC policy of subsidised beet sugar exports adding to a world surplus.

As a result, Amstar is concentrating upon improving the efficiency of the parts of its sugar business it feels to be secure and using its very cautious balance-sheet (long-term debt is less than 13 per cent of total capital) for a painstaking campaign of diversification by stealth.

The reason for the gradual nature of the acquisition plan, however, is more than a matter of limited resources, according to Mr Quittmeyer.

He says he has in recent years run his eye over hundreds of companies and got as far as talking to the chief executives of about 200, usually to be rebuffed. Believing, as he does, that "the biggest asset we acquire is management," Mr Quittmeyer is not a fan of hostile takeover bids.

The need to keep existing management happy is made doubly important by Amstar, flying in the face of the latest fashions in conglomeracy, dismissing the notion that its acquisitions must involve some kind of product fit. "Sometimes they do and sometimes they don't," he says. Sometimes they only appear to, such as a paper napkin business Amstar bought and then sold when it discovered the distribution channels it used for coffee-bar sugar packets were not the same as those for coffee-bar napkins.

What the acquisitions do have in common, he claims, is a leading, or at least strong, position in their chosen market niche, therefore having the capacity for above-average internal growth.

The product lines include hydraulic rams for the construction industry, couplings, rotary unions for process equipment, liquid-solid separation equipment, military surveillance receivers, microwave components, circuit-breakers and among other things, prevent him powdered metallurgy. Although they sound it, none of these, says Mr Quittmeyer, is exactly high technology in the sense that their future rests upon a flow of inventive ideas, although several have very high technology applications.

If Mr Quittmeyer can succeed in dragging Amstar out of the commodity-based cycle of earnings rises and falls, he will truly have achieved a quiet revolution which should, among other things, prevent him from having to pay out a third of the company's net income in dividends, as he has over the past seven years.

Harvester considers cuts

BY OUR NEW YORK STAFF

THE FUTURE of International Harvester's two main truck manufacturing facilities in the U.S. depends on the scope for substantial cuts in the level of operating costs at both plants.

The company said that it was evaluating "the possibility of maintaining core manufacturing operations" at its truck plants in Fort Wayne, Indiana, and at Springfield, Ohio. It added that "further significant cost reductions would be necessary to make this possible."

The company's comments were made in a telegram to political leaders in the two states. This followed speculation that one of the plants might be closed in view of Harvester's acute financial problems and its plans to consolidate its manufacturing operations.

Harvester said it was considering "all possible actions." The company has some 3,500 employees at Fort Wayne and another 3,300 at Springfield.

The telegram added that the necessary cost savings would depend on support from the local unions as well as state and community participation.

More time for Alsands

BY ROBERT GIBBENS IN MONTREAL

THE C$13bn (US$10.6bn) Alsands project in Alberta has been given a one-month reprieve by the Federal and Alberta Governments. Negotiations will be continued during this time between both governments and Alsands consortium led by Shell Canada.

The two governments have offered C$8m (US$6.5m) to the consortium to help keep the project in operating form for another month. The consortium has already spent C$100m on preparatory engineering and site work for the tar sands extraction project.

The Federal Government now says that it and Alberta would agree to a maximum participation of 50 per cent. The Federal Government already has a 17 per cent interest through the national oil company, Petro-Canada.

Mr Marc Lalonde, Federal Energy Minister, said in Ottawa that the Government still regards Alsands as essential to Canada's oil self-sufficiency. The project would produce 140,000 barrels of synthetic oil a day.

$950m refinancing loan for CSR

By Alan Friedman

CSR, the Australian sugar and natural resources group, has completed its long-awaited $950m package for the refinancing of its purchase of Delhi Petroleum.

A group of 19 banks, led by the Bank of New South Wales, have agreed to provide an $800m loan which includes multi-currency options. There is also a $50m over-run facility and a further $100m stand-by facility. It is expected that the initial drawdown of $540m will take place this month.

The actual borrower is the Delhi Australia Fund (DAF), a financing trust in which CSR and Bank of New South Wales Nominees Pty—a nominee for another Australian party—hold equal units.

The 19 banks are also led by the Canadian Imperial Bank of Commerce, the Chase Manhattan Bank, Citibank, Continental Illinois National Bank and Trust Company of Chicago, and the National Westminster Bank.

Other participating banks are: the Australian Industry Development Corporation, Australia and New Zealand Banking Group, the Commercial Banking Company of Sydney, the National Bank of Australasia, Commonwealth Trading Bank of Australia, Bank of America, Banque de la Societe Financiere Europeenne, the Hongkong and Shanghai Banking Corporation, Lloyds Bank, Mellon Bank, Societe Generale, Sumitomo Bank, and the Union Bank of Switzerland.

For the next two or three years interest payments will be met by drawing against the facility. The loans are to be repaid in half-yearly instalments over the period 1986 to 1994.

The drawdown of $540m this month will be used to redeem the drawings under the $600m bridge financing arranged by CSR when it purchased Delhi last September. Further funds will be used to develop the group's hydrocarbon interests.

● From Munich comes word of a $59.5m aircraft loan for Austrian Airlines. The ten-year credit will be led by Bayerische Vereinsbank and will be used to help finance the purchase of two A-310 Airbuses from Airbus Industrie, the European consortium aircraft maker.

● A $150m Eurocredit is being completed for the Northern Indiana Public Service Company, a U.S. utility. The revolving facility has a 3½-year maturity and carries a spread of ⅜ point above the six-month London interbank offered rate (Libor) for the first two years and ½ point thereafter. There will be a ⅜ per cent commitment fee. Merrill Lynch is leading the 21-bank group.

Georgia-Pacific raises $50m in Euromarkets

BY OUR EUROMARKETS STAFF

GEORGIA-PACIFIC, the U.S. forest products group, is raising $50m through the issue of five-year Eurodollar bonds with warrants. The issue led by Blyth Eastman Paine Webber, carries a 14¾ per cent coupon for the Single A-rated borrower.

Each bond entitles the investor to two warrants to buy 15 per cent paper maturing in 1990.

Prices of fixed-interest dollar bonds ended the day unchanged after an afternoon recovery compensated for a slight decline in the morning. Yesterday was an eccentric day for the Euromarkets because it was the end of the quarter and the end of the financial year for many banks and investors around the world. Japanese investors, for example, were said to be staying away from trading.

In the sterling sector, the £50m bulldog bond for Credit Foncier de France has been priced to yield 14.85 per cent—this is 115 basic points above a basket of three gilts. The coupon, at 14¾ per cent, reflects the improved gilts market and shows that the borrower was fortunate in its timing. The price of the 25-year partly-paid paper was set at 99.393.

In the Euro D-mark sector, prices closed ½ point higher last night in moderate trading. The Asian Development Bank's DM 150m 10-year issue was launched through Deutsche Bank with a 9¼ per cent coupon at a price of 99½ to yield 9.33 per cent. There had been talk of a price of 99¼ on Tuesday, but the improving market allowed a lower yield at issue price.

A SwFr 100m 10-year issue is out for Caisse Nationale de l'Energie, the French state energy financing agency. Soditic and Credit Lyonnais (Zurich) are leading the offer which is priced at 100½ with a 7 per cent coupon to yield 6.93 per cent.

A SwFr80m 10-year issue is being launched for Aucalsa, the Spanish State-owned highway agency. Indicated yield is 8 per cent through Credit Suisse.

The Swiss franc foreign bond market enjoyed a healthy trading volume and prices rose by ¼ point. Interest rates continue downward: the six-month Euro Swiss franc deposit rate closed at 5¾ per cent last night, a fall of more than ½ point since Monday.

U.S. Hoover looks for acquisition to widen domestic base

BY RICHARD LAMBERT IN NEW YORK

HOOVER CO, the U.S. parent of the troubled UK domestic appliance manufacturer, is planning to broaden its domestic base by means of an acquisition. In its annual report, the company says that studies of possible expansion routes are being give high priority, and are nearing completion.

Mr Clarence Lozaw, Hoover's treasurer, said yesterday that its overseas activities accounted for about two-thirds of the company's business, of which roughly half was in the UK. With the help of the big accounting firm, Ernst and Whinney, Hoover had been narrowing down a list of target industries which might fit in with its existing business.

No final decisions had been made, but it was possible than an acquisition would be announced this year.

Hoover's stockholders' equity currently amounts to $193m. Its borrowings of slightly more than $60m are almost all outside the U.S., whereas its cash balances of around $25m are mostly held within the U.S.

Last year the company reported a net loss of $18.8m mainly as a result of costs incurred in reshaping the UK subsidiary.

Bid compensation plan for Phillips executives

BY PAUL BETTS IN NEW YORK

PHILLIPS PETROLEUM, the 10th largest U.S. oil company, has agreed to pay its top six executives millions of dollars in special compensation in the event their jobs are threatened by a takeover.

Phillips has for long been viewed as a possible takeover target. Although the company claims it knows of no threatened hostile bid at present, the move reflects the continued concern in the company of a possible hostile raid.

Mobil, which failed last year in attempts to takeover Conoco and subsequently Marathon Oil, is seen by some on Wall Street as a potential bidder. Although the country's second largest oil company has recently indicated it has no acquisition in mind — it said earlier this year it had no longer need of a $6bn credit arrangement with its banks — Wall Street has not altogether ruled out that Mobil might return to the takeover fray.

In a proxy statement for its 1982 annual meeting, Phillips said its directors had voted last December to pay the company's top six officers all their salaries and benefits for three years after "any change in control of the company."

Such compensations would run in to millions of dollars. Mr William Douse, president of the company and who is to become Phillips' next chairman, alone received $410,000 in salary last year and additional benefits and bonuses totalling $772,033.

Phillips said the move was designed "to encourage top management to remain with the company and to eliminate management distraction in spite of potentially disturbing circumstances arising from a possibility of a change in control of the company." This justification reflects the company's concern over criticism which might stem from the compensation arrangements.

Alsthom motors disposal planned

By David White in Paris

THE BOARD of Alsthom-Atlantique, part of the recently nationalised CGE group, is due to decide today on a state-backed plan to transfer control of its loss-making electric motor division to a private-sector group, Leroy-Somer.

The plan, leaked in a press report yesterday, is seen as particularly significant in that it shows that the Government is ready to shed certain state sector activities in its effort to restructure problem industries.

The Government is expected to put up most of the FFr 95m ($15m) which Alsthom-Atlantique is due to provide under the deal, covering anticipated losses for its two motor factories this year and next year.

The two plants, employing 1,200 people at Beaucourt in eastern France and Orleans, made losses totalling FFr 40-45m last year on combined turnover of FFr 280m.

The state's contribution to smoothing the passage of the disposal is reported to be FFr 85m, partly in the form of subordinated loans.

For its part, Leroy-Somer, which is the leading French producer of small and medium-sized electric motors, is reportedly committed to providing a similar sum over the next five years in order to reorganise production in this sector and face up to strong competition, particularly from eastern Europe.

Alsthom-Atlantique, a majority-owned subsidiary of CGE specialising in power generation equipment, shipbuilding and locomotives, is reckoned to account for some 10 per cent of French output in this category of motors, against Leroy-Somer's 60 per cent.

It currently buys some of its motors from Poland.

Alsthom-Atlantique is expected to retain a 25 per cent stake in the two plants.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Thursday April 15. Closing prices on March 31

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Anhauser-Busch 16½ 88	100	102⅛	102⅝	−0¼	−1⅛	15.82
APS Fin. Co. 17⅛ 88 ...	60	104⅞	105	−0½	−1	15.81
APS Fin. Co. 16⅝ 89 ...	75	102¼	102⅝	−0⅛	−1¼	15.59
Armco O/S Fin. 15⅜ 88	50	98⅝	99¼	0	−1⅛	15.61
ATT 14⅛ 89	400	98⅞	98⅜	0	−0⅛	14.45
Baker Int. Fin. 0.0 92...	225	24	24½	−0⅛	−0½	16.43
Bank Montreal 16⅛ 91	150	102⅜	102⅞	−0⅛	−1⅛	15.65
Br. Colum Hyd. 16½ 88	100	102⅜	102⅞	−0⅛	−0⅞	15.51
Br. Colum. Mfs. 17 97	54	102¼	102¾	−0⅛	−1	16.49
Burroughs Int. 15¾ 88...	50	100	100½	−0⅛	−1	15.67
Canadair 15½ 87	150	99⅝	100⅛	−0⅛	−0⅞	15.52
Can. Nat. Rail. 14⅜ 91	100	96⅝	97⅛	−0⅛	−0⅜	15.22
Carolina Power 16½ 89	60	102⅜	102⅞	0	−0⅛	15.81
Caterpillar Fin. 16½ 86	100	101⅝	102⅛	−0⅛	−1⅛	15.80
CFMP 16⅜ 96	100	100⅞	101⅜	−0⅛	−0⅜	16.49
CIBC 16 87	100	101⅜	101⅞	−0⅛	−1⅛	15.49
Citicorp O/S 16⅜ 86...	150	102⅝	103⅛	0	−1⅛	15.68
Citicorp O/S 15½ 97...	125	99⅛	99⅝	−0⅛	−0⅛	15.60
Cons.-Bathurst 17½ 88	60	101¼	101¾	−0½	−1½	17.05
Con. Illinois 15¾ 89 ...	100	100¾	101¼	−0⅞	−1⅛	15.48
Dupont O/S 14½ 88 ...	400	98⅞	99⅜	−0⅛	−1¼	14.66
Dupont O/S Cap. 0.0 90	300	33⅜	33⅞	−0⅛	−0⅞	14.92
EIB 16⅝ 91	100	103½	104	−0⅛	−1⅞	15.90
EIB 15½ 89	150	99⅛	99⅝	0	−0⅛	15.77
Gen. Elec. Credit 0.0 92	400	25⅞	26⅜	0	−0⅛	15.12
Gen. Elec. Credit 0.0 93	400	22⅞	23⅜	+0½	−0⅜	16.06
GMAC O/S Fin. 16½ 84	300	100¼	100¾	0	−0⅛	16.10
GMAC O/S Fin. 16 88	150	100½	101	+0⅛	−0⅞	15.76
Gulf Oil Fin. 0.0 92 ...	300	25	25½	0	−0⅞	16.64
Gulf States O/S 17½ 88	60	102⅞	103⅜	−0⅛	−1⅛	16.59
Japan Airlines 15⅛ 88	50	100½	101	0	−0½	15.01
Japan Dev. Bk. 15½ 87	50	101¼	101¾	−0⅛	−0⅛	15.01
Nat. Bk. Canada 16½ 88	40	99¾	100¼	−0½	−0⅜	17.16
Nat. West 14⅜ 91	100	98½	99	−0⅛	−0½	14.96
New Brunswick 16⅛ 89	75	101½	102	−0⅛	−1⅛	15.79
New & Lab. Hy. 17⅛ 89	75	103⅞	104⅜	−0⅛	−0⅛	16.20
Ohio Edison Fin. 17½ 88	75	104⅜	104⅞	−0⅛	−0⅛	16.22
OKG 15¾ 97	50	98	98½	0	−0⅞	16.01
Ontario Hyd. 16 91 (N)	200	102⅞	103⅜	−0⅞	−1	15.31
Pac. Gas & El. 15¾ 89	80	101⅝	102⅛	−0⅛	−1⅞	15.24
J. C. Penney Gl. 0.0 94	350	19⅛	19⅝	−0½	−0⅛	19.92
Quebec Hydro 17⅛ 19	150	106⅜	106⅞	−0⅛	−1⅛	15.79
Quebec Prov. 15⅛ 89...	150	98⅜	98⅞	−0⅛	−0⅞	15.57
R.J. Rynlds. O/S 0.0 92	400	24⅜	24⅝	0	−0⅛	16.31
Saskatchewan 16⅛ 88...	100	102¼	102¾	−0⅛	−1	15.55
Saskatchewan 16 89 ...	125	101⅛	101⅝	−0⅛	−0⅛	15.62
Statsforetag 15⅞ 87 ...	50	98⅞	99⅜	0	−0⅛	15.96
Sweden 14½ 88	150	94⅞	95⅜	−0⅛	−1	15.70
Swed. Ex. Cred. 16½ 93	75	100⅞	101⅜	−0⅛	−1	16.25
Swed. Ex. Cred. 15⅞ 89	100	98⅜	98⅞	−0⅛	−0⅛	15.61
Texas Eastern 15⅞ 88...	75	101¼	101¾	−0⅛	−0⅛	15.47
Transcanada 16 88	100	99⅞	100⅜	−0⅛	−0⅛	15.91
WMC Fin. 15½ 88	50	97⅜	97⅞	−0½	−0½	16.04
World Bank 16½ 86 ...	130	102⅞	103⅜	−0⅛	−1⅛	15.43
World Bank 16½ 88 ...	100	102⅞	103⅜	−0⅛	−1⅛	15.62
World Bank 15⅜ 88 ...	250	98⅞	99⅜	0	−1	15.46
Average price changes...		On day −0⅛ on week −0⅞				

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Australia 9¾ 91	300	102⅜	102⅞	0	+0½	8.97
Australia 9⅞ 91	200	102⅜	102⅞	0	+0½	8.95
Belgelectric 11 91	100	103⅜	103⅞	0	0	10.38
Comp. Tel. Esp. 10½ 92	100	98⅞	99⅜	+0⅛	−0⅛	10.66
Denmark 10 88	100	100⅜	100⅞	+0⅛	−0⅛	9.82
Denmark 10⅛ 93	100	100⅛	100⅞	+0⅛	−0½	10.00
EEC 10⅛ 93	100	102⅝	103⅛	+0⅛	−0⅛	9.68
EEC 9¾ 94	200	101½	102	+0⅛	+0⅛	9.50
EIB 9¾ 88	80	100¼	100¾	+0⅛	−0⅛	9.62
Inter-American 10⅛ 91	100	104⅞	105	0	0	9.48
Ireland 10⅛ 86	100	100⅜	100⅞	+0⅛	−0½	9.98
Mexico 11 88	100	100¼	100¾	−0⅛	−0⅛	10.87
Mt. Bk. Dnmk. 10½ 91	100	101	101⅝	−0⅛	−0⅛	10.25
Nacnl. Financiera 11 90	150	99⅛	99⅝	+0⅛	−0⅛	11.74
Nat. West. 9⅞ 92	100	103¾	104¼	−0⅛	+0⅛	9.20
New Zealand 9¾ 89	200	102⅞	103⅜	0	+0⅛	9.12
OKB 10⅛ 91	150	102⅞	103⅜	+0⅛	+0⅛	9.61
OKB 9¾ 86	150	101⅜	101⅞	+0⅛	+1⅛	9.29
Quebec 10⅛ 92	150	102½	103⅛	+0½	−0⅛	9.65
Quebec Hydro 10⅛ 91	150	103⅝	104⅛	+0⅛	+0⅛	9.60
Tauernautobahn 9⅞ 94	50	101	101½	+0⅛	0	9.69
Venezuela 11½ 91	100	100½	101	0	−0⅛	11.34
World Bank 10 91	250	102⅞	103⅜	+0⅛	−0½	9.46
Average price changes...		On day +0⅛ on week +0⅛				

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Ansett Transport 7½ 92	50	102⅛	102⅝	+0⅛	+0⅛	7.13
Asian Dev. Bank 8 90	80	104	104½	−0⅛	+0⅛	7.33
Australia 6¾ 93	100	103½	103¾	0	+0⅛	6.30
Belgelectric 7½ 91	80	101⅛	101⅝	+0½	+0⅛	7.27
Bell Canada 7¾ 93	100	106	106½	+0½	+0½	6.48
Bat. de Autopistas 8 90	50	100½	100⅞	+0⅛	+0½	7.89
Co-op. Denmark 8⅛ 92	25	102⅝	103	+0⅛	+0⅛	7.94
Denmark 7⅛ 91	100	100	100½	+0⅛	−0⅛	7.22
EIB 7⅛ 92	100	101	101½	+0⅛	−0⅛	7.08
Elet. de France 7 92 ...	100	100½	100⅞	−0⅛	−0⅛	6.90
ENEL 8 92	44	101⅛	101½	+0⅛	+0⅛	7.79
First City Fin. 8⅛ 92 ...	25	102	102½	0	0	7.83
Japan Air Lines 7⅛ 91	100	104½	104⅞	0	+0⅛	6.58
Manitoba 7 92	100	104½	104⅞	+0⅛	+0⅛	6.35
National Pwr. Co. 8 92	30	102⅛	102½	+0½	+0⅛	7.65
Nippon T. and T. 6⅝ 92	100	102½	102¾	0	0	6.26
OKB 7¾ 92	100	†102⅞	105	+1⅛	+1⅛	7.19
Ost. Donaukraft 7 92 ...	100	101	101⅛	0	0	6.83
Ost. Postspar 7½ 92 ...	100	101	101⅛	0	−0⅛	7.23
Quebec 7⅛ 92	100	103⅜	104	+0⅛	0	6.82
Saint-Etienne 8⅛ 91 ...	20	106	106½	0	−1	7.55
Soc. Lux. de Cnt. 8½ 92	80	104⅛	104⅝	+0⅛	0	7.38
TNT O/S Fin. 8 91 ...	50	104⅝	105⅛	+0⅛	−0⅛	7.27
Transcanada Pipe. 7 94	100	103⅜	103⅞	+0⅛	+1	6.55
Unilever NV 7½ 93 ...	100	†107½	107⅞	−0⅛	+0⅛	6.54
World Bank 8 91	100	105⅞	106½	−0⅛	+0⅛	7.10
Average price changes...		On day +0⅛ on week +0⅛				

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Asian Dev. Bk. 8⅛ 91...	15	100	101	−0⅛	−0⅛	8.17
Finland, Rep. of 8⅛ 87	15	100	101	−0⅛	+0⅛	8.24
Int.-Amer. Dev. 8⅞ 91	15	102⅜	103⅛	+0⅛	+0⅛	8.43
Japan Airlines 7⅞ 87 ...	9	97½	98	−0⅛	−0½	8.45
New Zealand 8⅛ 87 ...	15	100⅝	101⅛	−0⅛	0	8.18
Average price changes...		On day −0⅛ on week 0				

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Can. Utilities 17 96 C$	50	†97⅞	98⅜	−0⅛	−0⅛	17.31
CIBC 15⅜ 89 C$	75	†96⅞	97⅛	0	−0⅛	16.47
Pancanadian 16⅞ 88 C$	85	†98⅛	98⅝	−0⅛	−1⅛	16.85
Quebec 17½ 87 C$	50	†103½	104½	0	+0½	16.27
Quab. Urban 16⅛ 86 C$	20	†100	101	0	−0⅛	16.50
Tordom Cpn. 16½ 88 C$	25	†98⅛	99⅛	+0⅛	+1	16.75
Transalta 17 89 C$	50	†99⅜	100⅛	−0⅛	−0⅛	16.96
U. Bk. Nwy. 9½ 90 EUA	18	92	93	0	−0⅛	10.96
Algemene Bk. 10⅛ 86 Fl	60	100⅞	101⅞	0	+0⅛	9.88
Amfas Group 12⅛ 86 Fl	40	103⅞	104⅜	0	−0⅛	11.02
Amro Bank 12 86 Fl	75	105⅛	105⅝	−0⅛	−0½	10.30
Amro Bank 12 86 Fl	60	104⅛	105⅛	−0⅛	−0½	10.63
Pierson 10⅛ 86 Fl	50	100	100½	−0⅛	−0⅛	10.16
Rabobank 12 86 Fl	50	105⅛	105⅝	0	+0⅛	10.33
OKB 14 86 FFr	400	91⅛	92⅛	+0⅛	+1⅛	17.04
Solvay et C. 14⅛ 86 FFr	200	91⅛	92⅛	+0⅛	+0⅛	17.81
Acona 14 85 £	20	94⅛	95⅛	0	−0⅛	15.96
Beneficial 14⅛ 90 £	20	87⅜	88⅛	0	+0⅛	16.96
BNP 13½ 91 £	15	90½	91½	0	−0⅛	16.40
CECA 13½ 88 £	20	94⅛	95⅛	0	−0⅛	14.78
Citicorp O/S 13½ 90 £	50	95⅝	96⅛	0	−0⅛	14.38
Fin. Ex. Cred. 13⅛ 86 £	15	94⅛	95⅛	0	−0⅛	15.43
Gen. Elec. Co. 12½ 89 £	50	93⅛	94⅛	0	+0½	13.92
Hiram Walker 14⅛ 86 £	25	96⅝	97⅛	+0⅛	−0⅛	15.20
Privatbanken 14½ 88 £	12	91⅛	92⅛	0	−0⅛	16.85
Reed (Nd) NV 16⅛ 89 £	25	100½	101½	+0⅛	−0⅛	16.47
J. Rothschild 14⅛ 90 £	12	97⅛	98⅛	−0⅛	−0⅛	14.58
Royal Trustco 14 86 £	12	96⅛	97⅛	−0⅛	−0⅛	15.09
Swed. Ex. Cr. 13⅛ 86 £	20	96	97	0	−0⅛	14.97
Eurofima 10½ 87 LuxFr	500	99½	100½	+0⅛	+2⅛	10.47
EIB 9¾ 88 LuxFr	600	96⅛	97⅛	0	+3⅛	10.51

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5⅛ 91	0⅛	99	99½	29/4	17.06	17.19
Bk. of Tokyo 5⅛ 91 (D)	0⅛	98⅞	98⅞	10/6	13⅛	13.43
Bk. Nova Scotia 5⅛ 93	0⅛	99	99½	29/4	17.06	17.19
BFCE 5⅛ 88	0⅛	99⅛	99⅛	26/4	16.94	17.03
BFCE 5⅛ 87	0⅛	99⅛	99⅞	27/7	16⅛	16.31
CCCE 5⅛ 2002	0⅛	98⅛	98⅞	11/6	14.82	15.06
Co-Ban Eurofin 5½ 91	0⅛	98⅛	99⅛	14/4	16.69	16.88
Credit Agricole 5⅛ 97	0⅛	98⅞	99⅛	24/9	15.44	15.57
Credit Nat. 5⅛ 94	†0⅛	98⅛	99	9/6	14.69	14.87
Denmark, Kngdm. of 92	0⅛	98⅛	99⅛	25/8	15.44	15.61
Den Norske Cred. 5½ 93	0⅛	97⅜	98⅛	4/6	13.56	13.86
Genfinance 5⅛ 92	0⅛	99⅛	99⅛	30/6	15½	15.58
GZB 5⅛ 92	†0⅛	98⅛	99⅛	8/6	14.94	15.11
Ind. Bank Japan 5⅛ 88	0⅛	98⅞	99⅛	9/5	13.31	13.43
Lloyds Eurofin 5⅛ 93	§0⅛	99	99½	29/4	17.13	17.26
LTCB Japan 5½ 89	0⅛	98⅛	99⅛	16/7	15.31	15.41
Midland Int. Fin. 8 91	0⅛	99⅛	99⅛	30/4	17.06	17.17
Nat. West. Fin. 5⅛ 91	§0⅛	98⅞	99⅛	15/7	15.19	15.32
Nippon Credit 5⅛ 90	0⅛	99	99½	10/8	16.06	16.19
Nordic Int. Fin. 5½ 91	0⅛	98½	99	6/5	15⅛	15.82
Offshore Mining 5⅛ 91	0⅛	99	99½	2/6	13	13.10
Pemex 6 91	0⅛	96⅛	96⅞	8/4	17	17.73
PKbanken 5 91	0⅛	98⅛	99⅛	17/6	14⅛	14.54
Sanwa Int. Fin. 5⅛ 88	0⅛	†99⅛	99⅛	24/9	15.31	15.39
Scotland Int. 5⅛ 92	0⅛	98⅞	99⅛	23/9	15⅛	15.51
Sec. Pacific 5⅛ 91	0⅛	98⅞	99⅛	24/5	13⅛	13.37
Societe Generale 5⅛ 91	0⅛	†99	99⅛	22/7	15⅛	15.38
Societe Generale 5⅛ 95	0⅛	98⅞	99⅛	1/9	15.31	15.45
Standard Chart. 5⅛ 91	0⅛	98⅛	99	18/5	13.31	13.48
Sumitomo Fin. 5½ 88	0⅛	99⅛	99⅞	9/8	16	16.06
Sweden 5⅛ 89	0⅛	99⅛	99⅛	26/8	15.31	15.39
Toronto Domin'n 5⅛ 92	0⅛	99⅛	99⅞	11/8	16⅛	16.44
Average price changes...		On day 0 on week −0⅛				

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅛ 96	7/81	933	88⅛	90⅛	+1⅛	3.37
Bow Valley Inv. 8 95	4/81	23.12	97⅛	99⅛	−0⅛	69.35
Bridgestone Tire 5½ 96	3/82	470	85	86⅛	+0⅛	−0.67
Canon 6⅛ 95	1/81	829	78⅛	80⅛	−2⅛	8.49
Daiwa Secs. 5½ 96	12/81	513.3	†61	63	+0⅛	−3.29
Fujitsu Fanuc 4½ 96	10/81	5641	84⅛	86½	−0⅛	16.74
Furukawa Elec. 5⅛ 96	7/81	300	86⅛	87⅛	−2⅛	−5.51
Hanson O/S Fin. 9½ 96	8/81	1.36	†88	89	0	−7.6
Hitachi Cable 5⅛ 96	2/82	515	84⅛	86½	+0⅛	−7.10
Hitachi Cred. Cpn. 5 96	7/81	1612	72⅛	74⅛	0	6.82
Honda Motor 5½ 97	3/82	841	71⅛	73⅛	+1⅛	8.34
Inchcape 8 95	2/81	4.55	†63½	65	0	25.58
Kawasaki 5⅛ 96	9/81	229	67	68½	+0⅛	4.58
Marui 6 96	7/81	846.4	87⅛	89⅛	0	−2.55
Minolta Camera 5 96	10/81	828.4	58⅛	59⅛	0	25.41
Minorco 9⅛ 97	5/82	8.16	†86	87½	0	13.84
Murata 5⅛ 96	7/81	2168	56⅛	57⅛	+1⅛	29.04
NKK 8½ 96	7/81	188	77½	79	+1½	−18.25
Nippon Chemi-C. 5 91	10/81	919	58	59⅛	+3⅞	9.68
Nippon Electric 5⅛ 97	2/82	846	80⅛	82⅛	+0⅛	9.13
Orient Finance 5⅛ 97	3/82	1205	83	84⅛	−0⅛	6.30
Sanyo Electric 5 96	10/81	652	66⅛	68	0	17.21
Sumitomo Elec. 5½ 97	3/82	577.3	78⅛	80	−0⅛	2.18
Sumitomo Met. 5⅛ 96	10/81	224.1	64⅛	65⅛	+0⅛	12.70
Swiss Bk. Cpn. 6⅛ 90	9/80	191	70	72	0	10.34
Konishiroku 6 90 DM	2/82	585	97⅛	98⅛	−0⅛	1.34
Mitsubishi H. 6 89 DM	2/82	263	92⅛	93½	−0⅛	14.43

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Superfos in red and passing dividend

By Hilary Barnes in Copenhagen

SUPERFOS, the Danish fertilisers and insulation materials group, will pass its dividend for 1981 having incurred a group loss of DKr 76m ($9.2m), compared with a net profit of DKr 82m in 1980.

Mr Joergen Trygved, joint managing director, predicted another "tough year" for the group in 1982. Superfos, which as recently as December was expecting to break even for 1981, paid a dividend of 12 per cent for 1980.

The group has again made a heavy loss of DKr 128m on the Brunsbüttel ammonia plant in West Germany, which it owns jointly with West Germany's Veba, although the loss was cut from DKr 156m in 1980.

Substantial losses on foreign exchange adjustments were also incurred which increased net financial costs from DKr 9m to DKr 61m. A further DKr 76m of foreign exchange losses were covered by provisions against reserves.

Group sales increased from DKr 4.29bn to DKr 5.0bn and profits before depreciation fell from DKr 414m to DKr 382m.

Mr Trygved said the continued strength of the dollar and the Swiss franc and the postponement from December to January of a DKr 15m export sale had all contributed to the deterioration.

He expected a substantial improvement in earnings before financial costs in 1982. The financial crisis in Danish agriculture remained a problem. The Ammonia plant in West Germany would again make a substantial loss.

Nobel Bozel hit by provisions for subsidiary

By Terry Dodsworth in Paris

NOBEL BOZEL, the French chemicals and plastics group, suffered a net consolidated loss of FFr 38.1m ($6.1m) last year, despite an increase in sales of 13.2 per cent to FFr 1.7bn.

The deficit compares with a profit of FFr 30m in 1980. The company said yesterday that it was hit partly by provisions made for its former Isorel subsidiary, which was eventually sold last autumn.

Financial charges increased last year to FFr 115m against FFr 90m in 1980, but the company is looking at measures in the next few months which are expected to reduce debts.

Commerzbank Luxembourg

OPERATING earnings of Commerzbank International, the Luxembourg subsidiary of the major German bank were in the black in 1981, although an overall loss was again incurred because of securities write-downs and provisions.

The loss was substantially reduced, however. In order to present a balanced profit and loss account, the Luxembourg bank had to draw DM 9.5m ($3.9m) from its parent bank in 1981, compared with DM 63.2m in 1980.

Kraftwerk Union reports strong growth in orders

BY KEVIN DONE IN FRANKFURT

KRAFTWERK UNION, the power station building subsidiary of Siemens, the West German electrical engineering group, saw new orders rise to DM 5.7bn ($2.36bn) last year, an increase of 21 per cent.

The order book was boosted by the award of the first domestic nuclear power station contract to be placed for six years, the DM 3bn, 1300 MW (megawatt) Isar II plant which is due to be built in Bavaria.

Of new orders taken last year, some DM 4.4bn was for nuclear power station work and DM 1.3bn for conventional power stations. Other major contracts include a DM 100m 745 MW turbine set for a coal-fired power station at Ibbenbüren and two 146 MW steam turbine sets worth DM 65m for a new power station for the Volkswagen automobile group at its main Wolfsburg works.

Having booked DM 2.5bn worth of new orders in the first six months of the current year ending September, the group expects total new orders of around DM 5.5bn in 1981-82. Thus engineering capacity is being fully utilised, but the group still faces serious capacity problems in its manufacturing operations.

For nearly three years, its manufacturing plants in West Berlin and in Mühlheim in the Ruhr region have been working at little more than 50 per cent of capacity and about 1,100 manufacturing jobs have been cut since 1978.

About 14 per cent of the 4,700-strong Mühlheim workforce has been on short-time working since autumn last year, and 40 per cent of the 1,700 Berlin workers have been on short-time since the beginning of this year.

KWU turnover dropped sharply last year to only DM 2.3bn, the lowest level since 1977, from DM 3.8bn in 1979-80, mainly because no nuclear plants were completed during the business year to swell the sales figures. The group expects sales this year, however, to rise to around DM 4.3bn, and it is planning for a turnover of DM 3.5bn in 1982-83.

KWU produced an after-tax profit of DM 35m in 1980-81, following a profit of DM 22m in the previous year. The company operated at a loss for all but one of the years (1976) from 1969 to 1978, but since 1979 it has returned a modest surplus.

Herr Klaus Barthelt, chief executive, said the company had an order book value of DM 23.6bn at the end of September last year, of which DM 21.6bn was accounted for by nuclear power station work and DM 2bn by conventional power stations.

Work worth DM 4.9bn at 1975 prices — four nuclear power station contracts in West Germany — was still blocked by legal or administrative nuclear regulatory procedures.

Merger to create large Danish insurance group

BY OUR COPENHAGEN CORRESPONDENT

DENMARK'S biggest insurance company, Baltica, is to merge with Nye Danske Lloyd, creating a group with premium income of about DKr 4.3bn ($523m) and a 25 per cent share of the domestic market.

Baltica will increase its capital from DKr 150m to DKr 180m and will acquire Nye Danske through an exchange of shares. The new company will have a nominal capital of DKr 265m.

Baltica's premium income from accident insurance last year was DKr 2.7bn and from life assurance DKr 579m. Nye Danske's accident premiums were DKr 726m and life premiums DKr 344m.

Baltica reported a decline in pre-tax earnings last year from DKr 177m to DKr 134m and will pay an unchanged 12 per cent dividend. Nye Danske's net profit fell in 1981 to DKr 9.2m from DKr 26.3m but the dividend will be an unchanged 10 per cent. Serious storm losses cost the company DKr 44m last year.

Modest rise in profit from Dutch insurer

By Charles Batchelor in Amsterdam

A SHARP decline in profits on non-life insurance business and larger losses from non-insurance activities have left Amfas, the Dutch insurance group, with only a marginal increase in profits in 1981.

Net profits rose by 2 per cent to Fl 43m ($16m) on turnover which was 12 per cent higher at about Fl 1.88bn according to provisional figures released yesterday. Profits per share also rose 2 per cent to Fl 17.80. Amfas proposes an unchanged dividend of Fl 7.20.

Gross profit was an unchanged Fl 144m. Favourable life insurance results were almost matched by the decline in non-life business and among other divisions.

Amfas has reserved Fl 10m to meet future profit sharing payments to life policy holders, and has also set aside Fl 38m for expected losses on property developments and Fl 15m to meet incidental losses on non-life insurance.

The extraordinary losses of Fl 53m were matched, however, by the release of provisions previously made to meet potential tax demands.

Demand for Estel action

BY JAMES BUCHAN IN BONN

THE DELICATE process of dismantling Estel, the West German-Dutch steel concern, has inched forward with a call from the Economics Ministers of both countries for the partners to produce concrete proposals.

The steel concern, formed in 1972 by Hoesch, the Ruhr steelmaker, and Hoogovens of the Netherlands, has been rendered meaningless by plans to merge Hoesch's steel activities with those of Krupp to produce a new and wholly German steel group.

At a meeting in the Hague earlier this week, Count Otto Lambsdorff, the West German Economics Minister, and Mr Jan Terlouw, his Dutch counterpart, agreed to give the companies a month in which to prepare the necessary proposals. The object is to reach some agreement by September on breaking up the partnership and on the vexed question of apportioning losses of more than DM 6bn ($2.48bn) accumulated over six years.

Tiger Oats and Smith plan link

BY THOMAS SPARKS IN JOHANNESBURG

TIGER OATS, South Africa's second largest food group, is negotiating a merger between itself and the sugar interests of the industrial holding company, C. G. Smith.

They intend to form a new holding company which will be a subsidiary of Smith and which will hold Smith's sugar operations and Tiger. C. G. Smith is 58 per cent owned by Barlow Rand, the industrial and mining conglomerate.

For the six months ended June 30, 1981, Tiger's turnover was R638m ($613m) and its pre-tax trading profits R43.5m. For all of 1980 turnover was R1.17bn, and pre-tax profits R73m. Net earnings attributable to ordinary shareholders were R38.6m in 1980 and R21.2m for the half year June 30 1981.

For the year ended September 30, sugar contributed R30.5m to C. G. Smith's net profit attributable to ordinary shareholders of R84.3m. In 1980 Tiger was the subject of an unwelcome take-over bid by unquoted Kirsh Industries. It fought this off with the help of Old Mutual, South Africa's largest insurance company, which ended up with a 28.9 per cent stake in Tiger.

At the same time Old Mutual increased its interest in the meat and dairy products company Imperial Cold Storage to 19.5 per cent. Tiger has an 18 per cent interest in ICS. In the six months ended August 31 the net profit attributable to ICS shareholders was R4.2m.

VONTOBEL EUROBOND INDICES

14.5.76 = 100%

PRICE INDEX	30.3.82	23.3.82	AVERAGE YIELD	30.3.82	23.3.82
DM Bonds	94.06	93.71	DM Bonds	9.424	9.483
HFL Bonds & Notes	95.57	96.05	HFL Bonds & Notes	10.290	10.242
U.S. $ Strt. Bonds	88.05	87.89	U.S. $ Strt. Bonds	14.168	14.222
Can. Dollar Bonds	89.90	90.05	Can. Dollar Bonds	15.233	15.185

Earnings nearly doubled at Hutchison Whampoa

BY ROBERT COTTRELL IN HONG KONG

HUTCHISON WHAMPOA, the property and industrial concern which is about 40 per cent owned by Mr Li KaShing's Cheung Kong group, reports 1981 net profits of HK$790m (U.S.$136m), almost double 1980's HK$411m.

Extraordinary items, notably the realised revaluation surplus on the group's Aberdeen Centre property development in Hong Kong, added HK$157m, making an attributable profit of HK$947m, against 1980's HK$770m which included extraordinary gains of HK$359m.

A final dividend of 27 cents per ordinary share gives a total of 40 cents for the year against 32 cents in 1980. Earnings per share were stated at HK$1.70 against 85 cents in 1980.

Property has increased its domination of Hutchison's earnings, accounting for about 45 per cent of profits before extraordinary items, compared with 35 per cent in 1980. Financial and investment earnings contributed a quarter of 1981 profits, followed by 20 per cent from ship-related activities.

Mr Li, Hutchison's chairman, said the company was in a "sound financial position," with gearing down from 37 per cent to 22 per cent.

In 1981 Hutchison's activities included the buying out of a number of minority interests within the group, completion and sale of 936 Aberdeen Centre flats, sale of the Diamond Exchange Centre, and "satisfactory construction progress" on the first phase of the group's Provident Centre.

Hutchison remains relatively liquid, having started this year with net cash balances topping HK$600m. But resources will be increasingly employed over the next few years in the redevelopment of the Hunghom dockyard site in Kowloon which was vacated when Hongkong United Dockyards moved to Tsing Yi. The site has the potential for 2.2m sq ft of residential and commercial development. Another major project is the development of Hongkong International terminals, the group's container terminal at Kwai Chung.

Spanish bank shares suspended

BY TOM BURNS IN MADRID

BANKUNION'S stock market listing has been suspended ahead of a decision by the Bank of Spain to allocate nearly 50 per cent of Bankunion's shares to either Banco Hispano-Americano or Banco de Bilbao.

Bids by Hispano-Americano and Bilbao, respectively Spain's third and fourth largest commercial banks, were tendered to the State Guarantee Deposit Fund at the end of last week after a decision by Bank union and the Fundacion General Mediterranea, which has an 11 per cent stage in Bankunion, to put 49 per cent of the bank's Pta 7.72bn ($74m) capital in what is known as the "bank hospital."

The Bank of Spain, currently reviewing the bids, is expected to reach a decision on April 6.

Bankunion, the country's 13th largest bank, has been hard hit by investment losses, notably in motorways, and has suffered from the absence of links with a major commercial bank. It made a Pta 908m net profit in 1981, against Pta 879m previously, after provisions had risen to Pta 2bn, against Pta 764m in 1980.

It is understood that the Hispano-Americano and Bilbao bids were aimed principally at the 118 branches that Bankunion operates in its commercial division and at customer deposits of Pta 133.19bn. Neither Hispano-Americano nor Bilbao is anxious to accept responsibility for the Bankunion's industrial ventures.

The Madrid bourse applied an internal regulation that empowers it to suspend quotations when it has reliable information that forthcoming events will affect the value of a share.

Nutricia lifts income and dividend

By Charles Batchelor in Amsterdam

NUTRICIA, the Dutch dairy and foodstuffs concern which last year acquired Cow and Gate of the UK, more than doubled its net profit in 1981 to Fl 16.8m ($6.3m) from Fl 7.9m.

It proposes paying a final dividend of Fl 2, taking the total 1981 payment to Fl 3.25 per share compared with Fl 1.6 in 1980. This is on share capital increased by 30 per cent to finance the purchase of Cow and Gate.

Sales were 19 per cent higher at Fl 586m ($219m) but the purchase of Cow and Gate last April and the sale of the Dutch mustard and pickles company Luycks Produkten in mid-1980 mean the results are not strictly comparable.

The improved result is due to the company's concentration on high value products by increasing sales to the consumer and clinics at the expense of industrial customers.

Operating profit rose 60 per cent to Fl 33.2m. Nutricia halved its net interest charge to Fl 2.8m but faced extraordinary charges of Fl 2.1m (Fl 1.3m) and tax of Fl 10.9m (Fl 8m).

Strong profits advance at Singapore property group

BY GEORGIE LEE IN SINGAPORE

OVERSEAS UNION Enterprise, the major Singapore property and hotel owner, has reported a 38 per cent rise in group pre-tax profits for the year ended December to S$27.2m (U.S.$12.4) against S$17.2m a year earlier. Group turnover grew by 23.3 per cent to S$109.7m.

OUE is an associate company of the Overseas Union Bank group and owns the prestigious Mandarin Hotel in Singapore. It has proposed a final gross dividend of 15 per cent, making a total of 30 per cent for the year against 20 per cent previously.

● Tat Lee Bank, one of the smaller Singapore banks, has proposed rights and scrip issues following a 49 per cent rise in group net profits for 1981 to S$19.2m. Parent bank net earnings rose by 60 per cent to S$17m.

Tat Lee has raised its dividend for the year by 1 percentage point to 9 per cent.

The proposed one-for-five rights issue at S$2.50 a share will raise the group's capital to S$84m from S$60m. The scrip issue is in the same ratio.

A subsidiary, Pan Malayan Holdings which is 55.6 per cent owned by the bank, has also reported a sharp rise in earnings. Group net profit rose by 47 per cent to S$5.3m. Pan Malayan Holdings has proposed a final gross dividend of 7.5 per cent, bringing the total for the year to 15 per cent, higher than the previous year's rate.

Tat Lee Finance, a Pan Malayan subsidiary, is inviting public subscription for 6m new shares of S$1 each at S$2.50 per share and is seeking a listing on the Singapore Stock Exchange.

The new share issue will raise the finance company's issued capital from S$12m to S$18m. The new issue will reduce Pan Malayan's interest in the finance company to 66.6 per cent from 100 per cent.

For the year ended December Tat Lee Finance reported pre-tax profit of S$3.62m and net profit of S$2.12m. A gross dividend of 15 per cent was paid on its old issued capital of S$5m.

For the current year ending December, the finance company has forecast a pre-tax profit of S$4.3m and expects to pay a gross dividend of not less than 10 per cent on the enlarged capital.

Peru seeks a further $750m from banks

By Peter Montagnon in Cartagena, Colombia

PERU needs to raise a further $750m from commercial banks this year to meet its 1982 foreign borrowing needs, and accepts that some tightening of loan conditions will be inevitable if this target is to be reached.

Sr Manuel Ulloa Elias, Peru's Prime Minister, said here that his country's total foreign borrowing needs were expected to be around $2.5bn. The figure does not include the current $300m standby credit being arranged for the central bank. Byarlabank, or drawings under the planned International Monetary Fund facility which are expected to reach between $400m and $500m this year.

Of the $2.5bn borrowing total, about $1.4bn will come in the form of export credits, government - to - government loans and loans from the World Bank and the Inter-American Development Bank.

Peru is trying to reduce its relative dependence on commercial bank borrowings, as these are more costly to service than other loans, said Sr Ulloa, who is also the country's Finance Minister. About $350m out of a total requirement of $1.1bn has already been raised from commercial banks this year.

The prospects for raising the balance have improved since agreement in principle was reached earlier this month for a $900m to $950m three-year facility from the IMF. Commercial bankers attending the Inter-American Development Bank annual meeting here said that the agreement had reduced their concern over Peru, which at one stage was billed in the marketplace as a possible candidate for rescheduling in 1982.

Sr Ulloa said that Peru was already considering several offers for commercial bank credits this year. He hoped to prevent margins raising above 1 per cent. Earlier this year Peru paid a margin of 0.75 points over Eurodollar rates for a $300m credit arranged by Morgan Guaranty Trust which was not well received in the market.

Peru's total foreign debt at the end of this year should stand at between $8.5bn and ($9bn, Sr Ulloa said. The current account balance of payment would be little changed on last year's $1.5bn deficit. Debt repayments should fall to $1.5bn from $1.86bn and foreign investment should be higher than last year's $300m.

Greek vehicle plant

MAHINDRA AND Mahindra, the only manufacturer of Jeeps in India, has entered into a collaboration agreement with Balkania of Greece to set up a plant in Greece to manufacture Jeeps and tractors, K. K. Sharma writes from New Delhi.

Few companies have broken more fiercely on to the Hong Kong business scene than Carrian Investments, the diversifying property concern which is part of the unquoted Carrian Group. Mai Hon Enterprises, a property company, was bought by the Carrian Group in late 1979 for less than HK$1bn (US$115m).

Under the name Carrian Investments it had a market capitalisation of HK$4.2bn by the following August and of HK$6.1bn by June last year—before falling of late to HK$3bn, against the background of the swingeing decline in the Hong Kong stock market.

In 1980, Carrian Investments took a part in the much-traded history of Gammon House, the Hong Kong Central District office block, which it bought for HK$1bn and quickly resold for HK$1.68bn. By this, it thrust itself further into the public eye. But behind all lies a mystery as to the ultimate source of assets pumped into the company.

Carrian emerges through the mist

BY ROBERT COTTRELL IN HONG KONG

MR GEORGE TAN, chairman of Carrian Investments, is an energetic man. He paces the room while he talks, rattles off a calculation with one hand while slapping the table with the other. Three years ago, Mai Hon Enterprises was reporting an interim profit of HK$3.8m. Taken over, and under its new name of Carrian Investments Limited (CIL), the company has just reported consolidated profits after tax of HK$536m (U.S.$106m) for 1981.

CIL's interests now span property, shipping, insurance, tourist services and even a stake in Japanese soft-core pornographic films. A deep study of the group was carried out by Mr Hugh Williams of Vickers da Costa, the London stockbrokers, and published in November. "Although little has been done which has not been done before by other groups," Mr Williams said of Carrian, "the time element has been so much shorter." This raised the question of whether Carrian could keep up the pace.

At first glance, the 1981 profits suggest only a marginally better performance than the HK$461.8m of the prior 9-months accounting period — but it should be remembered that 1980 saw Carrian's great property coup, the purchase and rapid re-sale of Gammon House, now the Bank of America Tower, to the east of Hong Kong's Central District. The building was bought for HK$998m and sold nine months later for HK$1.68bn. While the 1981 profits are also heavily set in certain fields, they show Carrian standing on several profit legs.

Gammon House left CIL a cash legacy for 1981, in the shape of interest at two points over the banks' prime lending rate on credit extended to the buyer for a HK$998m balance on the deal. The final settlement was made in August.

On other fronts, the sale of CIL's stake in Union Bank yielded a HK$313m profit, receivable on a deferred basis such that one-third was taken into the 1981 accounts, with the balance to be taken in over this year and next year.

Profit was taken in 1981 on property transactions negotiated with Overseas Union Realty in 1980. Further profit was yielded by a placement of shares in China Underwriters Life and General Insurance, reducing Carrian's stake from a peak 97 per cent to 55 per cent.

Yet Carrian's capacity for cash generation has not made it the darling of the stock market. Certainly, the share arouses strong emotions.

From London, CIL may look like one of the wonders of the mysterious East. In Hong Kong, the comment the stock attracts is hedged with caution. Criticism tends to fall under two heads. One is the lack of visible recurrent earnings. The other is doubt about Carrian's ultimate parentage and, by implication, its independence of action.

On the question of ownership: CIL is a subsidiary of the unquoted Carrian Holdings, which is in turn held by Carrian Nominee. Gossip has linked many rich men and women with Carrian Nominee. The Vickers da Costa report placed ownership with four Malaysian and Singapore families, one of whose members is Mr George Tan. The professed long-term aim of Carrian Holdings is the progressive exchange of its assets for shares in CIL. The most recent of such transactions was a swap of predominantly property assets worth HK$376m which was passed from unquoted to quoted arms in exchange for shares earlier last month.

The size of Carrian Holdings is unknown: "No comment," says Mr Tan. But it includes property, trading and service companies, in addition to its CIL holding. Carrian's group CP logo emerged from the first Carrian company, Carrian Pest Control.

Investors in CIL have an obvious concern for both the price and nature of assets still to be decanted from the private end of the group. Mr John Marshall, who left the Price Waterhouse Hong Kong office to become managing director of CIL at the beginning of this year, says nothing will emerge from Carrian Holdings which would surprise an investor attracted into CIL by its present spread of interests. Mr Tan, meanwhile, is a fierce speaker when roused on the subject of outside shareholders' interests. "It is not the parent company's intention," he says, "nor our family's intention, to risk the public company's funds to buy something which cannot produce income, cannot profit, for the company."

The recurrent profits question is a difficult one, because CIL is predominantly a property company, and therefore takes profits from large one-off transactions above the line, making a consistent earnings profile hard to discern. The board has pointed out in its recent statement the desirability of diversified recurrent earnings, and this year will see a full contribution from Grand Marine and China Underwriters — which netted HK$80m and HK$4.7m last year, plus a HK$216m extraordinary gain by China Underwriters on the sale of non-insurance interests. The two between them contributed only HK$8m to Carrian in 1981, reflecting the short period since their acquisition. Rental income from CIL's investment properties is also expected to show a significant increase.

Mr Tan's aim is to reverse the present CIL balance of 70 per cent Hong Kong earnings, 30 per cent abroad. He counts shipping and tourist-related earnings in the overseas category. The group also has a major urban property development underway in Oakland, California, and land bank near Disney World in Orlando, Florida.

Talks are continuing with World Airways on the prospects for an operational joint venture to boost tourist traffic between Asia and the U.S. On the shipping side, where it has 66 ships totalling 2m tons, CIL has left on P & O's table the offer it made last year to investigate co-operation between it and the UK concern. A bid by Carrian has never been in prospect, says Mr Tan, and Carrian has never bought P & O shares.

"We were thinking about any joint venture we could do together in a small way," explains Mr Marshall, "to get to know each other and expand it from there . . . we're waiting for them to come up with some ideas. We've left it fairly open. But that does not mean we may not go back to them in the next six months or so."

With Hong Kong's property boom out of steam, and neither shipping nor insurance at glamorous points in their cycles, sector fundamentals are not particularly exciting for CIL at present. Also, the company is coming off the parent company cash on which it was weaned, and moving over to a commercial debt structure. It has raised syndicated loans for U.S.$146m over the past few months, and will need more debt to support the second phase of the Oakland development late this year.

Spectacular as Carrian's profits have been, their make-up does not qualify the shares for the widows' and orphans' class. A profit forecast for 1981 was made before the completion of the Union Bank deal, which contributed an important element. "Certain assets," explains Mr Rod Bell, the finance director, "were designated as trading assets. It was a matter of which one was going to be traded."

The Carrian name derives from two Chinese words, meaning "the best" and "the peaceful." Peaceful? there lies the heart of the matter. With book net assets now perhaps around HK$3.6bn, can Carrian be as successful at large-scale long-term growth as it has been in its formative, volatile deal-making? Mr Tan is confident about Carrian's future—he even expects to be handing over the reins of power within five years to management nurtured within the company.

Mr Tan is a very good-humoured man. "Old Chinese saying," he says, "if you laugh together, you can make money together." And, "if your article comes out as very discouraging, or you're using nasty words, we'll just laugh, you know. That is the Carrian attitude."

WORLD STOCK MARKETS

Wall St slightly ahead at noon

AFTER FLUCTUATING within a narrow range again yesterday morning in moderate activity, Wall Street managed to show a *small improvement at mid-day* awaiting President Reagan's Press conference due that evening.

The Dow Jones Industrial Average was 2.09 harder at 826.58 at noon, while the NYSE All Common Index firmed 13 cents to $64.78 and rises led falls by a six-to-five margin. Trading volume came to 25.94m shares, compared with Tuseday's mid-day level of 23.14m.

Analysts said investors are *particularly concerned* with the looming Federal Budget deficits, and will be listening tonight for any signal from the President that he is willing to compromise on his spending plans in order to hold down deficits.

Issues in special situations again attracted the most attention. Kaiser Steel advanced $2¾ to $29¾ and was the second most active issue. The stock retreated recently after the collapse of a takeover bid by Stanley Hiller.

Champion International was the volume leader, primarily due to a block of 501,700 shares traded at $15¾. The stock was up $⅜ at $16¼.

Southern, the third most active issue, gained ¼ to $13½ on higher earnings.

Following Southern in volume was Schlitz Brewing, at $14¼, *down ⅛. Stroh Brewery has bid* $16 a share for Schlitz.

IBM rose ¼ to $60¾ in active trading following the announcement of three large-scale computers. Eastman Kodak put on ½ to *$72¾* after announcing a high-volume duplicator.

THE AMERICAN SE Market Value Index was 0.44 easier at 260.91 at noon after volume of 2.19m shares (1.69m).

Canada

Markets continued to display a downward bias in moderate *early dealings yesterday.* The Toronto Composite Index was 4.2 lower at 1,591.3 at midday, while Golds lost 27.8 to 2,169.0 and Oil and Gas 7.0 to 2,593.5, *but Metals and Minerals picked* up 4.9 to 1,472.8. In Montreal, Banks shed 2.81 to 311.90.

Turbo Resources was the most active stock and was off 7 cents more at C$1.78. Turbo said on Tuesday that it was withholding *payment of its preferred dividends* until it can determine whether it can afford to pay them.

Closing prices for North America were not available for this edition.

Tokyo

With a number of the recently depressed export - orientated Blue Chips picking up yesterday on technical factors and bargain *hunting, and some speculative* issues drawing further heavy buying attention, the Tokyo market staged a good rally yesterday in fairly active dealings.

Mining, Pharmaceutical and Oil shares led the market ahead, while low-priced Domestic Industry issues such as Foods, *Oils and Textiles* were also favoured.

Light Electricals, Steels, Shipbuilders, Motors and other Blue Chips tended to recover some ground mainly due to securities companies' efforts to set the share prices higher yesterday, being the last business day of the fiscal year. However, the trade conflicts with the West continued to overshadow sentiment.

The Nikkei - Dow Jones Average recouped 66.65 to 7,260.48 and the Tokyo SE index 3.90 to 533.81. Volume amounted to 460m shares, but failed to match Tuesday's 540m.

Sony moved up Y100 to Y3,350, Kawasaki Heavy Y8 to Y195, Nippon Kokan Y6 to Y163, Nippon Steel Y4 to Y160, Honda Motor Y16 to Y598, Nippon Oil Y23 to Y1,000, Tanabe Seiyaku Y54 to Y889, Asahi Chemical Y25 to Y278, Ajinomoto Y22 to Y910 and Teikoku Oil Y61 to Y975. Mitsui climbed Y22 to Y320 in firm Trading Houses.

Sumitomo Metal Mining, the pace-setter among speculative issues that has been gaining strength on news of the discovery of a gold mine in south-western *Japan, broke through* the Y1,000 level for the first time yesterday, ending Y51 stronger at Y1,040.

Mitsubishi Metal advanced Y15 on news that it is planning to redevelop a gold mine on the island of Sado, off northern Japan. The island has been known for its rich gold deposits for several hundred years, although they are believed to have been largely exhausted.

Germany

Bourse prices closed on a mixed note after position squaring operations, marking the end of the month and the first-quarter, had kept trading activity *low. Brokers added,* however, that selective purchasing by foreign investors were behind some of the session's gains.

After a string of dividend announcements late on Tuesday, Banks tended to be the most *actively traded shares* of the session but prices ended mostly lower.

Dresdner Bank, which is cutting its 1981 dividend to DM 4 from the previous year's DM 6, dipped DM 2.40 to DM 154.60.

Deutsche Bank slipped DM 1.10 to DM 277.50 after announcing an unchanged dividend of DM 10. *Commerzbank, holding out* the hope of a dividend resumption in 1982, opened DM 1 higher but later eased to finish 80 pfennigs off on balance at DM 147.60.

The West German Government's recent initiative to realise its earlier announced plans to aid the country's steel industry again benefited shares in the sector. Kloeckner-Werke put on DM 1.60 to DM 66.50, Thyssen 90 pfennigs to DM 89.80 and Mannesman DM 1.30 to DM 149.30.

After a sluggish start, Domestic Bonds ended up posting prices rises of as much as 45 pfennigs without apparent explanation, traders said. The Bundesbank sold DM 27.1m of public sector paper to balance the market.

Paris

Stocks generally weakened in moderate trading, with a fall in the French Call Money rate to 17 per cent from 18 failing to help sentiment.

Imetal shed FFr 1.5 to FFr 80 after announcing a three-for-seven rights issue at FFr 85 per share to raise around FFr 300m.

Australia

Markets drifted modestly easier in very quiet trading, extending the decline of the prior two days as political uncertainty kept traders on the sidelines.

Dealers said that the approaching weekend election in the Victoria State with its *possible challenge to the Prime* Minister's party leadership has created a nervous stock market climate.

The overseas sales board was almost bare at the opening, reflecting lack of investment from abroad. The All Ordinaries index shed 1.2 more to 462.1 for a three-day fall of 13.6. Oils and Gas was 5.7 weaker at 386.9.

Hong Kong

Repeating Tuesday's pattern of trading, the market picked up at the outset yesterday but later slipped to end mixed to easier after another very thin business.

The Hang Seng index, up *about five points in mid-morning,* finished the half-day Wednesday session a net 1.20 lower at 1,165.96. Turnover on the four exchanges totalled HK$83.27m, against the full-day Tuesday figure of HK$111.14m.

Brokers said *that the only* heartening aspect of the current bear market is the thin turnover. "*It means that the market* is suffering from a lack of interest as much as anything else. We're not worried about a plunge or anything like that," commented an analyst. Most brokers said they expected a further decline in the near-term.

NEW YORK

CANADA

Stock	Mar. 30	Mar. 29
AMCA Intl	19	18⅞
Abitibi	17¼	17½
Agnico Eagle	6⅞	6¾
Alcan Alumin	22¾	22½
Algoma Steel	34¼	34
Asbestos	13⅜	13⅜
Bk. Montreal	22½	22⅜

BELGIUM (continued)

Mar. 31	Price Frs.	+ or —
Petrofina	4,789	−45
Royale Belge	5,590	−10
Soc. Gen. Banq	2,695	+30
Soc. Gen. Belge	1,420	−48
Sofina	3,820	+30
Solvay	2,170	....
Tracton Elect.	2,720	+20

HOLLAND

Mar. 31	Price Fls.	+ or —
ACF Holding	79.8	+1.2
Ahold	78	−0.4
AKZO	29.8	....
ABN	283	−1.5
AMEV	62.1	−0.4
AMRO	50.4	+0.3

AUSTRALIA

Mar. 31	Price Aust. $	+ or —
ANZ Group	3.68	....
Acrow Aust.	1.69	....
Ampol Pet.	1.40	....
Assoc. Pulp Pap.	1.50	....
Audimco	0.08	....
Aust. Cons. Ind.	1.49	+0.01

JAPAN (continued)

Mar. 31	Price Yen	+ or —
Kubota	344	....
Kumgai	440	+1
Kyoto Ceramic	3,080	+20
Lion	390	+5
Maeda Cons.	580	−2
Makita	740	−5
Marubeni	303	+8

Indices

NEW YORK ACTIVE STOCKS

SINGAPORE

HONG KONG

SOUTH AFRICA

BRAZIL

DENMARK

FRANCE

ITALY

NORWAY

SWEDEN

GERMANY

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

JAPAN

Financial Rand US$0.76½ (Discount of 19½%)

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

COMMODITIES AND AGRICULTURE

Danes may extend farm loans

By Hilary Barnes in Copenhagen

THE DANISH minister of agriculture, Mr Bjoern Westh, yesterday put forward a bill to increase state guarantees for refinancing farmers' debt from Kr 2.5bn to Kr 3.5bn. Under the earlier guarantee sum, about 6,000 farmers have been able to avoid foreclosure. The extension of the guarantee should save another 3,000 farmers.

The government and farmers' organisations are, meanwhile, continuing to discuss longer-term aid for the farmers, who are being bankrupted by high interest costs. The farmers' organisations have agreed to unite in rejecting a government proposal to set up a land bank on the conditions so far put forward by the government.

The farmers' union sees the bank as an attempt gradually to nationalise the land, but at the weekend the farmers were openly divided on their attitude to the bank, with the smallholders' organisation preparing to accept the bank.

USSR to boost sunflower output

MOSCOW—The Soviet Union announced a programme of measures to boost production of sunflower seeds, following a disastrous 1981 harvest which was the worst for 15 years.

A government and Communist Party decree, published by Tass News Agency, blamed the food processing and agriculture ministries for a steep decline in sunflower seed, rapeseed and soya production over the last 10 years.

Last year's sunflower crop was just 4.6m tonnes and is expected to exacerbate current shortages of cooking oil and margarine.

The decree also criticised the technical back-up organisation, Selkhoztekhnika, for failing to deliver and maintain equipment to dry the seeds and process them into oils.

The decree called for an increase in the area sown to soya, rape and sunflower and instructed the Ministry of Farm Produce, purchases to arrange new drying equipment to handle an extra 21,000 tonnes of seed an hour. Seed-processing plants should also be improved and expanded.

Reuter

Tin council gives loan plan go-ahead

BY OUR COMMODITIES STAFF

THE INTERNATIONAL Tin Council decided at its meeting in London yesterday to allow its buffer stock manager to negotiate commercial loans to increase his buying power to 42,000 tonnes from the present 27,500 tonnes. But it shelved consideration of a plan to introduce export controls till its next meeting, later this month.

The tin market has been basically depressed for some time because of the world industrial recession, though this had been disguised until recently by the operations of an influential buyer, believed to be acting on behalf of producer interests. This buying lifted the cash price of tin on the London Metal Exchange near to £9,000 a tonne earlier this year but it dropped quickly when the buying stopped in February, and recently slipped below £7,000 a tonne.

The council meeting, called to consider ways of stabilising the market, considered, apart from the loan scheme, restricting export quotas to the end of June by 4,500 tonnes. When this idea, proposed by the International Tin Agreement's Malaysian chairman, Mr Peter Lai, proved unacceptable to consumers, a compromise plan under which producers would contribute 4,500 tonnes to the buffer stock was considered. But this proved unacceptable to producers.

The council has evidently decided to see how effective the loan scheme is in stabilising the market before returning to the more contentious issue of export controls.

Yesterday's news prompted a substantial rise in the tin quotation on the London Metal Exchange. The cash price, which had edged higher in early dealings, ended £115 up at £7,075 a tonne.

Gatt rejects EEC sugar charge

BY BRIJ KHINDARIA IN GENEVA

THE EUROPEAN COMMUNITY faces no further action from GATT, the world trade watchdog body concerning the price support system applied to sugar under the Common Agricultural Policy.

The General Agreement on Tariffs and Trade's (GATT's) Council, which investigates violations of GATT rules, decided yesterday it will no longer discuss Australian and Brazilian charges that the Community subsidises its sugar exports.

With support from Brazil and the U.S., Australia said the Council the Community's subsidised sugar exports are depressing world sugar prices and seriously cutting into the market share of other exporting countries.

Community chief delegate Tran Van Thinh overruled the objections saying recent changes in the sugar regime had removed all elements of subsidy in sugar exports.

He was referring to the "co-responsibility" concept recently introduced in the EEC sugar sector whereby producers face financial penalties for sugar over-production which might depress markets.

Australia continues to allege that the Community encourages sugar exports by reimbursing losses made by exporters when sugar prices lie below internal Community prices. The reimbursement served to prevent producers from dumping all their produce on EEC authorities who are obliged to pay a fixed high price under GATT.

Mr Tran replied that the EEC's critics were harping on old complaints without taking into account the new sugar regime.

A GATT Council panel ruled last year that the previous sugar regime violated GATT rules and asked the Community to change it.

Uncertainty over U.S. futures

BY NANCY DUNNE IN WASHINGTON

WHILE little doubt exists that the Commodity Futures Trading Commission will emerge from its Congressional reauthorisation hearings intact, the shape of the agency and the scope of its powers are still uncertain.

The two agriculture subcommittees in the House and the Senate have thus far found few areas of agreement. However, both have now approved the settlement of a juridictional dispute over financial futures worked out informally by the chairmen of the CFTC and the Securities Exchange Commission.

The Senate subcommittee which has completed its deliberations has rejected the Administration's proposed user's fee to finance CFTC operation, and it has reauthorised the commission for only two years. During this time, the user fee issue would be studied.

The House subcommittee, still meeting this week, has agreed to a four-year reauthorisation measure, the most likely to succeed in a House-Senate conference because presidential elections in two years' time would leave little opportunity for conducting government business. The subcommittee has given the CFTC authority to set speculative limits "retroactively," in an effort to protect against market dominance by one investor or a group of investors, and has approved measures to strengthen the National Futures Association, the industry's self regulatory organisation.

The argument advanced by CFTC Commissioner James Stone that the growth of futures trading could be negatively affecting capital formation is getting some serious consideration. Congressman Dan Glickman, a Kansas Democrat, has introduced an amendment calling for a study of the issue.

Deliberations will continue after a Congressional recess

Buyer boosts rubber

By Our Commodities Staff

CONTINUED buying by a mystery group believed to be acting on behalf of eastern producers lifted natural rubber prices again yesterday. The buying is on the futures markets where it boosted the June position by 1.5p to 58.75p a kilo yesterday. But it is also affecting physical market values. Yesterday the RSS No. 1 position on the London physical market gained 2p to 57p a kilo, the highest level for six months and 14p above the 6-year low reached in February.

But dealers said this rise was artificial as trading on the market was "dead."

The fundamental background to the world rubber market certainly appears "bearish." The recession has hit the biggest user of rubber, the world motor car industry, very hard and production is expected to be running ahead of consumption for some time.

The recent lows triggered support buying by the International Rubber Organisation but this did little to strengthen the market. It was only after INRO support ceased and was replaced by the "mystery" buyer that the price depression started to ease.

Nutty power

THE California Almond Growers Exchange will produce 8,500 kw of electricity a year from waste almond shells in their new cogeneration facility at Sacremento, California.

The facility converts waste products, such as the shells, into steam for the exchange's almond processing and product manufacturing plant and also into electric power for use by the exchange or sale to the local electricity grid.

The cogeneration facility has the capacity to handle up to 82,000 tons of shells or similar fuel such as clean wood waste and macerated tree trimmings from the almond orchards.

This is the latest of a number of facilities operating in California to convert orchard and other crop and processing waste into fuel to power canneries and other food processing activities.

INDIA

Higher costs and lower prices sap jute strength

BY RICHARD COWPER AND P. C. MAHANTI

WEAK DEMAND and plunging prices largely caused by the recession in the West have thrown India's jute industry into disarray.

What many are describing as cut-throat competition from its main trade rival, Bangladesh, saw India's volume share of world trade fall to its lowest level for four years in 1981-82, and in the last 12 months or so 14 out of India's 72 jute mills have stopped production altogether.

The country's 250,000 jute mill workers, whose wages have fallen in real terms over the last few years are threatening an all-out strike. West Bengal's chief Minister Jhoti Basu, is calling for the nationalisation of the industry and Indian jute millers, who claim to have been operating at a loss for the last nine months, say that if more mills are not to close and India is to regain its market share, the Government must quickly step in with a big support programme for the industry.

India's exports of jute goods in the 1981-82 financial year are expected to be around 400,000 tonnes, down around 19 per cent on exports of 492,000 tonnes in 1979-80 and down around 10 per cent on last year's exports of 440,000 tonnes. The fall in foreign exchange earnings, however, has been much sharper due to rapidly falling prices. In 1980-81 India earned around Rs 3.264bn ($430m), but last year this fell to an estimated Rs 2.6bn ($289m). In rupee terms this was a fall of around 20 per cent, but in dollar terms the fall was even sharper, around 33 per cent, because of the rupee's fall against the dollar.

India, with the largest domestic market for jute products in the world next to China, has maintained its position as the world's largest producer of raw jute, though its share of world production has fallen from over 40 per cent in the 1980s to around 35 per cent now. In 1981-82 Indian production of raw jute was around 1.44m tonnes out of a forecast total world production (including China) of some 4m tonnes.

India's share of world trade has declined much more rapidly, and since the mid-1970s India has been replaced by Bangladesh as the world's largest exporter of jute goods. For more than two decades India left world trade in raw jute to Bangladesh, preferring to concentrate on exports of jute goods—a market which it dominated up until the early 1970s.

In the early 1960s India's exports of jute goods accounted for 70 per cent of the world market of nearly 3.2m tonnes. By the early 1970s this fell to around 50 per cent and in 1980-81 India accounted for 40 per cent of total world trade in jute. This year experts say the proportion is likely to fall even further, with India accounting for approximately 35 per cent of world trade and Bangladesh accounting for 45 per cent.

Indian jute growers and mill owners say this has been partly due to the attractions of a large domestic market which now accounts for around 65 per cent of India's jute production. They also point to the difficulties of competing with Bangladesh, whose labour costs are considerably less than in India where the Government has attempted to enforce minimum wages. The Indian Government has also attempted to protect the millions of jute smallholders at times of declining world prices by calling on millowners to pay minimum Government set prices for raw jute. These measures coupled with lack of investment in modern machinery have done much to reduce the competitiveness of Indian jute products on the world market, and at a time of falling world prices have further exacerbated the industry's problems.

Average world market prices for jute products such as hessian, carpet backing and sacking in 1981-82 were on average around 25 per cent less than the year before in dollar terms. Indian sales of carpet backing to the U.S., traditionally the largest market for this, the most lucrative of jute products, have virtually ceased in the past few months, and Bangladesh is now understood to have completely taken over this market.

Domestic prices have closely followed world market prices and in Calcutta this month they were 50 per cent down in rupee terms on two years ago. This coupled with an apparent 50 per cent reduction in government demand because of overstocking last year has further depressed the industry at a time when overall costs of production have risen sharply.

The result has been that in the past 12 months or so 14 out of India's 72 jute mills have ceased production altogether, and the rest claim to have been operating at a loss for the past nine months. Some of these are likely to re-open when the market improves, but some jute millers say six could go out of business altogether.

According to Mr D. Gupta, India's deputy commissioner for jute, the whole industry is in a severe state of depression.

"There are around 4m farmers engaged in growing jute, 250,000 workers running our jute mills and another 170,000 people engaged in ancillary work like trade and transport. This means that as many as 4.4m Indians are working in the jute industry and with dependents more than 20m people are directly or indirectly dependent on the industry."

The current disarray in the industry has been exacerbated by the poor state of industrial relations. Union leaders have threatened an all-out indefinite strike if management do not pay an effective 20 per cent wage increase, while the Chief Minister says that the only way to put the industry back on its feet is to nationalise it. Mill owners, who have called on a Government to introduce a quota system and a dual pricing policy which would push up domestic prices and subsidise exports, are taking an equally tough line. Two or three of the closures have been lockouts.

Just how quickly the industry recovers will depend not only on the speed with which the Western world comes out of the recession but also on the industry's ability to solve its own industrial problems. With Mrs Ghandi's current policies nationalisation is unlikely, but if a long and bitter strike does take place some time in the next few weeks, India could find itself losing for ever at least part of its world market share.

BRITISH COMMODITY MARKETS

BASE METALS

TIN PRICES GAINED GROUND on the London Metal Exchange as the ITC moves to boost financing of the buffer stock prompted good demand for three months and lifted the quotation to £7,340 before a close of £7,320. Copper closed at £854.5, depressed by the fall in gold, while Lead was finally £336 and Zinc £424, the latter following a producer price cut by Vieille Montagne. Aluminium closed at £566.5 and Nickel at £3,047.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
High Grade				
Cash	826.5-30	−1.25	827-8	−4.75
3 mths	857-8	−1.25	855-.5	−5
Settlem't	830	−1	—	......
Cathodes				
Cash	826-7	−2	824.5-5.5	−5.5
3 months	855-.5	−1.25	851.5-2	−5
Settlem't	827	−2	—	......
U.S. Prod.	—	—	*74-79	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £830.50, three months £859.50, 59.00, 58.50, 58.00, 57.50. Cathodes, three months £853.00. Kerb: Higher Grade, three months £857.00, 56.50. Afternoon: Higher Grade, three months £856.00, 55.50, 56.00, 55.00, 54.50, 55.00. Kerb: Higher Grade, three months £855.00, 55.50, 55.00. Turnover: 12,875 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7040-5	+65	7070-80	+115
3 months	7250-5	+47.5	7290-300	+87.5
Settlem't	7045	+65	—	......
Standard				
Cash	7040-5	+65	7070-80	+115
3 months	7250-5	+47.5	7290-300	+120
Settlem't	7045	+65	—	......
Straits E.	$29.52	−0.05	—	......
New York	—	......	—	......

Tin—Morning: Standard, cash £7,065, 30, 40, 50, three months £7,280, 90, 80, 70, 80, 50, 35, 45, 50. Kerb: Standard, three months £7,250. Afternoon: Standard: Three months £7,260, 65, 70, 90. Kerb: Standard, three months £7,290, 7,300, 20, 34, 40, 30, 20. Turnover: 1,715 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	327.5-.75	+.375	325.5-6	−3
3 months	338.25-.5	+.125	338.25-.5	−.5.37
Settlem't	327.75	+.25	—	......
U.S. Spot	—	......	*27-32	......

Lead—Morning: Cash £327.50, three months £339.00, 38.50, 38.00, 38.50, 39.00, 38.00, 38.50, 38.25. Kerb: Three months £338.00. Afternoon: Three months £337.00, 37.50, 37.00, 36.50, 36.00, 36.25, 35.50, 36.25. Kerb: Three months £336.00, 35.50. Turnover: 16,000 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	423-.5	−.25	417.5-8.5	−7.5
3 months	437.5-8	−1.5	423-.25	−7.12
S'ment	423.5	−.5	—	......
Primw'ts	—	......	*38.75-40.7	......

Zinc—Morning: Three months £450.50, 30.00, 29.00, 28.50, 28.00. Kerb: Three months £427.00, 26.50, 27.00. Afternoon: Three months £426.00, 25.50, 25.00, 24.00, 23.00, 24.00, 23.50, 23.00, 23.25. Kerb: Three months £423.00, 22.50, 23.00, 23.50, 24.00. Turnover: 9,050 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	548.5-9	+3.5	544-.5	−1.5
3 months	569-.5	+2.5	565.5-6	−1

Aluminium—Morning: Cash £549.00, three months £569.50 69.00, 69.50. Kerb: Three months £569.00, 68.00, 68.50, 68.00. Afternoon: Three months £566.00, 65.00, 65.50, 66.00. Kerb: Three months £566.00, 67.00. Turnover: 11,300 tonnes.

Nickel — Morning: Three months £3,075, 70, 65. Kerb: Three months £3,055, 60. Afternoon: Three months £3,055, 45, 40, 45, 50, 55, 51, 50, 40, 45. Kerb: Three months £3,045, 50. Turnover: 720 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3045-50	−25	3020-5	−50
3 months	3065-70	−25	3045-7	−48.5

* Cents per pound. $ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 1.4p an ounce lower in the London bullion market yesterday at 395.85p. U.S. cent equivalents of the fixing levels were: spot 706c, down 2.3c; three-month 733.1c, down 2.3c; six-month 758c, down 1.4c; and 12-month 812.7c, down 3.2c. The metal opened at 391-394p (695-700c) and closed at 391-394p (696-703c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	395.85p	−1.40	395p	[illegible]
3 months	409.10p	−0.85	407.9p	[illegible]
6 months	421.00p	−0.40	—	
12 months	448.50p	−1.50	—	

LME—Turnover: 59 (88) lots of 10,000 ozs. Morning: Three months 410.0, 09.5, 09.6, 09.7, 09.8. Kerb: three months 410.0. Afternoon: Three months 407.0, 06.5, 08.0. Kerb: Three months 408.0, 08.5.

COCOA

After touching the highs futures failed to hold at these levels and closed near the lows. Interest in physical cocoa was for nearby products, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
March	—	—	982-83
May	983-84	−3.0	998-85
July	1013-15	−3.5	1027-15
Sept	1045-45	−1.5	1051-42
Dec	1079-80	−1.0	1086-79
March	1108-09	−2.5	1115-08
May	1122-23	−1.0	1132-22

Sales: 2,011 (3,769) lots of 10 tonnes.

ICCO—Daily price fob March 30: 79.35 (80.72). Indicator price for March 31: 81.44 (82.48).

COFFEE

Continued short covering during the opening prompted an early rally, reports Drexel Burnham Lambert. The expiration of March signalled an erratic price swing in the spot position whilst the majority of overall volume consisted of switching into distant months. Under the weight of trade and commission house selling prices surrendered earlier gains.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	—	....	1510-1500
May	1200-01	−17.0	1244-1200
July	1160-61	−22.0	1203-1159
Sept	1143-44	−21.5	1180-43
Nov	1138-40	−19.0	1165-40
January	1134-40	−23.0	1150-40
March	1126-32	−21.0	—

Sales: 5,447 (5,195) lots of 5 tonnes.

ICO Indicator prices for March 30 (U.S. cents per pound): Comp. daily 1979 121.88 (120.17); 15-day average 126.64 (127.65).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 381, 384, 384; Aug 404, 406, nil; Oct 407, 409, 407; Dec 406, 410, 408-407; Jan 405, 407, 409-405; March 415, 421, 418-417; May 425, 430, 426; Aug 435, 441, 437-436. Sales: 40.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 541.0, 543.0, 543.0-536.5; July 538.0, 539.0, 540.5-530.4; Oct 521.0, 523.0, 523.0-519.0; Dec 524.5, 525.0, 526.0-523.0; March 532.0, 533.5, 533.0-532.0; May 534.5, 535.0, 538.0. Sales: 613.

GAS OIL FUTURES

New York again influenced a higher London opening. The weaker physical market caused futures to fall rapidly to the lows, before rallying again on the New York opening, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
March	259.00	−4.50	256.00-53.50
April	256.50	−4.50	258.00-53.00
May	258.25	−7.50	260.00-53.75
June	257.50	+8.00	[illegible]
July	256.50	+5.00	[illegible]
August	260.00	+6.50	[illegible]
Sept	262.50	+7.00	[illegible]
Oct	265.50	+6.75	—
Nov	268.50	+7.00	—

Turnover: 3,098 (2,388) lots of 100 tonnes.

GRAINS

The market opened unchanged apart from May barley which was 5p down. Trading was very quiet and in a narrow range, Acli reports.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
May	118.10	—	109.60	−0.05
July	119.40	—	—	—
Sept	107.05	—	103.00	—
Nov	110.05	—	106.65	—
Jan	114.60	—	110.60	−0.05

Business done—Wheat: May 116.10-118.00, July 119.45-119.40, Sept 107.05 only, Nov 110.70 only, Jan 114.70-114.60. Sales: 63 lots of 100 tonnes. Barley: May 109.85-109.60, Sept 103.05-103.00, Nov 106.70-106.60, Jan 110.70 only. Sales: 100 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 14 per cent: April/May 15 116.00, May 115.50, June 115.25 transhipment East Coast sellers. English Feed, fob: April 117.50 East Coast, May 1-20 119.75, June 121.50 East Coast sellers. Maize: French first-half April 132.50 transhipment East Coast. South African White: April/May 79.00 seller. South African Yellow: April/May 79.00 seller. Barley: English Feed, fob: May 114, June 115 East Coast sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 110.00, E. Mids. 107.50, N. East 108.10. The UK Monetary Coefficient for the week beginning Monday April 5 is expected to remain unchanged.

RUBBER

The London physical market opened steadier, attracted fair interest through the day and closed uncertain. Lewis and Peat recorded an April fob price for No. 1 RSS in Kuala Lumpur of 206.5 (205.0) cents a kg and SMR 20 191.5 (181.0).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
May	57.50-58.00	55.70-57.00	57.50
June	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apl-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]

Sales: 645 (271) lots of 15 tonnes, 2 (nil) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 57.00p (55.00p); May 54.00p (53.50p); June 54.75p (54.25p).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 225 tonnes. Continued pressure for supplies developed, and useful purchases were made in various categories. African and other American-type growths were in sustained request.

SOYABEAN MEAL

The market opened with small losses, reports T. G. Roddick. Prices moved higher but late trade and stop-loss selling pressured prices and the market closed on a weak note.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	—
April	[illegible]	[illegible]	—

Sales 339 (88) lots of 10 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £149.00 (£150.00) a tonne cif March-April-May shipment. White sugar daily price £166.00 (£167.00).

The market opened about unchanged and was eased as sellers pressed in thin trading conditions, reports C. Czarnikow.

No. 4 Con-tract	Yesterday close	Previous close	Business done
	£ per tonne		
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]

Sales: 3,838 (4,358) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £374.00 (same) a tonne fob for home trade and £258.00 (£259.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for March 30: Daily price 10.81 (10.71); 15-day average 11.03 (11.06).

POTATOES

LONDON POTATO FUTURES—The market eased all day, but saw some short-lived rallies, reports Coley and Harper. Closing prices: April 126.40, −2.60 (high 129.30, low 125.30); Nov 87.40, +0.40 (high 87.50, low 87.00); Feb 77.40, −0.10 (high 77.50, low 77.20). Turnover: 862 (710) lots of 40 tonnes.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 93.5 to 97.7, Ulster hindquarters 98.5 to 101.0, forequarters 62.5 to 65, Eire hindquarters 97.0 to 100, forequarters 61 to 65. Veal: Dutch hinds and ends 124 to 129. Lamb: English small 85 to 95, medium 88 to 94, heavy 88 to 90. Scotch heavy 84 to 88. Imported: New Zealand PL 60.5 to 67.5, PM 66.5 to 67.5. Pork: English, under 100 lbs 40 to 56, 100-120 lbs 40 to 55, 120-160 lbs 42.5 to 53.

MEAT COMMISSION—Average Fatstock prices at representative markets. GB—Cattle 102.04p per kg lw (+1.01). UK—Sheep 222.91p per kg est dcw (+2.24). GB—Pigs 76.99p per kg lw (+0.23).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Spania: 15-kg Navels 4.20-5.00. Cyprus: 15-kg Valencia Lates 3.80-4.50; Jaffa: 20-kg Shamouti [illegible] ... 16-kg 2.60-3.20; Jaffa: 20-kg 27 4.35, 32 4.45, 36 4.95, 40 4.75, 43 4.95, 56 4.60, 64 4.30, 75 4.00, 88 3.75; Moroccan: 40/84 2.00-2.30. Ugli Fruit—Jamaican: 14/56 7.00-12.00. Ortanique: Jamaican 48/126 7.50-8.50. Apples—French: Golden Delicious 9-kg 3.40-4.20, 18-kg 6.50; Chilean: Granny Smith 11.00-12.00, Canadian: 18-kg Red Delicious 8.50-12.00; U.S.: 18-kg Red Delicious 11.00-12.00, Starking 11.00-12.00. [illegible]

English Produce: Potatoes—Per 55-lb. [illegible]

PRICE CHANGES

In tonnes unless otherwise stated.

	Mar. 31 1982	+ or —	Month ago
Metals			
Aluminium	£810/815	[illegible]	£810/815
Free Mkt	[illegible]	[illegible]	$1045/1075
Copper			
Cash h grade	£827.5	[illegible]	£840
3 mths	£855.5	[illegible]	£869.25
Cash Cathode	£825.5	[illegible]	£839
3 mths	£851.5	[illegible]	£860.5
Gold troy oz	[illegible]	[illegible]	$353.5
Lead Cash	[illegible]	[illegible]	£337
3 mths	[illegible]	[illegible]	£343.75
Nickel	[illegible]	[illegible]	£3624
Free mkt	[illegible]	[illegible]	280/290c
Platin'mr oz'y	£260	[illegible]	£260
Freemkt	£172.20	[illegible]	£164.55
Quicksilver	[illegible]	[illegible]	$390/400
Silver troy oz	[illegible]	[illegible]	427.25p
3 mths	[illegible]	[illegible]	441.65p
Tin Cash	[illegible]	[illegible]	£7080
3 mths	£7295	[illegible]	£7295
Tungsten	[illegible]	[illegible]	$150.00
Wolfram 22.46lbs	[illegible]	[illegible]	$190/124
Zinc Cash	[illegible]	[illegible]	£435.5
3 mths	[illegible]	[illegible]	£442.5
Producers	[illegible]	[illegible]	$875/960
Oils			
Coconut (Phil)	[illegible]	[illegible]	$500
Groundnut	[illegible]	[illegible]	
Linseed Crude	[illegible]	[illegible]	
Palm Malayan	[illegible]	[illegible]	$515
Seeds			
Copra Philip	[illegible]	[illegible]	$535
Soyabean (U.S.)	[illegible]	[illegible]	$258.5
Grains			
Barley Fut. Sep	£103.00	[illegible]	£111.00
Maize	[illegible]	[illegible]	£133
Wheat Fut. July	[illegible]	[illegible]	£115.50
No. 2 Hard Wint	[illegible]	[illegible]	£116.60
Other commodities			
Cocoa ship't	[illegible]	[illegible]	£1178
Future May	[illegible]	[illegible]	£1156.5
Coffee Ft May	[illegible]	[illegible]	£1523
Cotton A Index	[illegible]	[illegible]	69.85c
Rubber kilo	[illegible]	[illegible]	48.75p
Sugar (Raw)	[illegible]	[illegible]	£159
Wool'tps 64s Kl	[illegible]	[illegible]	383p kilo

‡ Unquoted. v April. z March-April. x May. y April-May. u May-June. † Per 76 lb flask. * Ghana cocoa. n Nominal. § Seller.

AMERICAN MARKETS

Tuesday's closing prices

NEW YORK, March 30.

SUGAR LOST most of its early technical gains as a major house sold aggressively. Precious metals came under pressure from commission house selling, while copper found some trade support and closed moderately higher. Aggressive commission house buying sharply rallied coffee. Heating oil was higher in a market nervous about confrontation between Opec and the major oil companies, plus a new deterioration in relations between Iraq and Iran, reported Heinold.

††Cocoa—May 1633 (1636), July 1675 (1679), Sept 1725, Dec 1789, March 1847. Sales: 3,230.

Coffee—"C" Contract: May 132.25-132.40 (125.89), July 125.09 (121.09), Sept 122.50, Dec 121.00, March 118.50, May 115.00-118.00. Sales: 3,010.

Copper—April 66.45 (66.20), May 67.45-67.50 (67.15), June 68.40, July 69.35-69.40, Sept 71.15, Dec 73.60-73.65, Jan 74.55, March 76.20, May 77.85, July 79.50, Sept 81.15, Dec 83.65, Jan 84.45. Sales: 6,000.

Cotton — No. 2: May 65.80-65.82 (66.22), July 67.81-67.88 (68.23), Oct 70.48-70.50, Dec 71.60, March 73.28-73.40, May 74.33-74.50, July 75.28-75.75. Sales: 3,500.

*Gold—April 319.0-320.0 (323.2), May 322.9 (326.8), June 326.0-327.0, Aug 333.0-333.5, Oct 342.0, Dec 348.0-350.00, Feb 359.0, April 366.8, June 375.7, Aug 384.7, Oct 393.7, Dec 402.7, Feb 411.7. Sales: 60,000.

Orange Juice — May 116.50-116.70 (112.30), July 119.30-119.40 (115.10), Sept 122.00-122.30, Nov 124.30-124.50, Jan 126.30-126.50, March 128.05-128.35, May 129.80-130.00, July 131.55-131.85. Sales: 2,000.

*Platinum—April 306.0-307.5 (308.0), July 311.1-313.0 (317.2), Oct 320.0-322.0, Jan 336.0, April 349.0.

Potatoes (round whites)—April 76.4-76.5 (76.9), Nov 78.1 (77.5), March 89.5. Sales: 425.

¶Silver—April 703.0 (708.5), May 711.5-713.0 (718.0), June 721.0, July 729.0-731.0, Sept 748.0, Dec 775.0, Jan 784.5, March 800.0, May 820.6, July 838.4, Sept 856.2, Dec 832.7, Jan 891.7. Handy and Harman bullion spot: 708.00 (697.00). Sales: 8,000.

Sugar — No. 11: May 11.06-11.08 (11.04), July 11.32-11.35 (11.25), Sept 11.57-11.60, Oct 11.74-11.78, Jan 11.90-12.08, March 12.65-12.67, May 12.85-12.88, July 13.00. Sales: 11,110.

Tin—585.00-590.00 (583.00-590.00).

CHICAGO, March 30.

Lard—Chicago loose 20.75 (same).

Chicago Imm Gold—June 326.5-326.1 (330.7), Sept 338.0-337.5 (342.2), Dec 349.6, March 361.7, June 374.1, Sept 386.8.

Live Cattle—April 68.20-68.30 (68.25), June 66.70-66.05 (66.57), Aug 63.60-63.70, Oct 62.10-62.20, Dec 62.60-62.62, Feb 62.55, April 62.70.

Live Hogs—April 50.70-50.55 (50.85), June 55.50-55.30 (55.57), July 56.20-56.45, Aug 55.55-55.60, Oct 54.40-54.25, Dec 55.00-54.80, Feb 53.20-53.40, June 60.90.

‡‡Maize—May 274½-274 (274), July 284¼-284 (283¾), Sept 288-288¾, Dec 293½-294, March 307¾-307, May 315½-315¾.

Pork Bellies—May 75.40-75.20 (76.75), July 75.60-75.50 (76.80), Aug 73.50-73.35, Feb 71.50, March 72.10, May 72.60, July 74.00.

†Soyabeans — May 633½-633 (634), July 641-642½ (641¼), Aug 644½-645, Sept 646, Nov 650½-650, Jan 663½, March 678½.

‖Soyabean Meal — May 183.3-183.5 (183.3), July 185.6-185.8 (185.8), Aug 187.3-187.5, Sept 188.8-189.0, Oct 190.0, Dec 192.5-192.3, Jan 194.3.

Soyabean Oil — May 18.75-18.77 (18.93), July 19.32-19.33 (19.47), Aug 19.57-19.55, Sept 19.75-19.71, Oct 19.95, Dec 20.25-20.20, Jan 20.45, March 20.83-20.85.

†Wheat—May 368½-368¾ (365), July 374½-375 (373¼), Sept 387½, Dec 405-405½, March 418½-418¾, May 425½.

WINNIPEG, March 30.

§Barley—March 121.80 (121.00), May 124.00 (123.00), July 124.70, Oct 126.00, Dec 126.00.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 224.19 (224.44).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

EUROPEAN MARKETS

ROTTERDAM, March 31.

Wheat — (U.S. $ per tonne): U.S. No. 2 Dark Hard Winter, 13.5 per cent: April 204, U.S. No. 2 Red Winter: April 164, U.S. No. 3 Amber Durum: April 184.50, May 183.50, June 183.50, July 184.50, Aug 186, Sept 188. U.S. No. 2 Northern Spring, 14 per cent: April 190, May 187, June 186, July 186, Aug 186, Sept 188. Canadian Western Red Spring: April/May 203.

Maize—(U.S. $ per tonne): U.S. No. 3 Yellow: Afloat 133.50, April 132.50, May 130.75, June 131, July/Sept 131, Oct/Dec 132, Jan/March 128 sellers.

Soyabeans—(U.S. $ per tonne): U.S. No. 2 Yellow, Gulfports: April 258, May 257.25, June 258.20, July 259, Aug 260, Sept 260.50, Oct 256.75, Nov 256.75, Dec 261.25 sellers.

Soyameal—(U.S. $ per tonne), 44 per cent protein: Afloat 249, 247.50, 248.50, 245, 232 (depending on position), March 234, April 225 traded. March 235, April 226, May 224, April/Sept 225.50, Nov/March 228 sellers. Brazil Pellets: Afloat 244 to 240, March 242, April 236, May 235, May/Sept 236 sellers. Argentine Pellets: Afloat 232, March 229, June/Aug 230, March/Oct 231, Sept/Oct 233.50 sellers.

PARIS, March 31.

Cocoa—(FFr per 100 kilos): May 1115-1110, July 1135-1165, Sept 1185-1200, Dec 1225-1228, March 1370-1390, May 1295-1315. Sales at call: 1.

Sugar—(FFr per tonne): May 1835-1838, July 1878-1852, Aug 1865-1870, Oct 1840-1845, Nov 1840-1845, Dec 1865-1865, March 1945-1960, May 1985-2000. Sales at call: Nil.

INDICES

FINANCIAL TIMES

Mar. 30	Mar. 29	Month ago	Year ago
244.61	244.08	248.69	261.56

(Base: July 1, 1952=100)

MOODY'S

Mar. 30	Mar. 29	Month ago	Year ago
984.6	985.4	989.1	1125.1

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 30	Mar. 29	Month ago	Year ago
Spot	124.17	123.30	127.23	418.15
Fut's	126.58	126.33	132.53	438.37

(Base: Dec 31 1974=100)

REUTERS

Mar. 31	Mar. 30	M'nth ago	Year ago
1599.7	1596.3	1589.6	1696.5

(Base: September 18, 1931=100)

GRIMSBY FISH—Supply good, demand fair. Prices at ship's side (unprocessed) per stone: Shelf cod £3.50-£4.30, codlings £2.60-£4.00; large haddock £4.20-£4.80, medium £3.20-£4.00; small £1.80-£3.00; best small plaice £2.70-£3.50; skinned dogfish, medium, £9.00; lemon soles, large, £10.50; medium, £9.00; saithe £2.60.

BASE LENDING RATES

A.B.N. Bank	13 %	Grindlays Bank	‡13 %
Allied Irish Bank	13 %	■ Guinness Mahon	13 %
American Express Bk.	13 %	■ Hambros Bank	13 %
Amro Bank	13 %	Heritable & Gen. Trust	13 %
Henry Ansbacher	13 %	■ Hill Samuel	§13 %
Arbuthnot Latham	13 %	C. Hoare & Co.	†13 %
Associates Cap. Corp.	13 %	Hongkong & Shanghai	13 %
Banco de Bilbao	13 %	Kingsnorth Trust Ltd.	14 %
BCCI	13 %	Knowsley & Co. Ltd.	13½%
Bank Hapoalim BM	13 %	Lloyds Bank	13 %
Bank Leumi (UK) plc	13 %	Mallinhall Limited	13 %
Bank of Cyprus	13 %	Edward Manson & Co.	14 %
Bank Street Sec. Ltd.	14 %	Midland Bank	13 %
Bank of N.S.W.	13 %	■ Samuel Montagu	13 %
Banque Belge Ltd.	13 %	■ Morgan Grenfell	13 %
Banque du Rhone et de la Tamise S.A.	13½%	National Westminster	13 %
Barclays Bank	13 %	Norwich General Trust	13 %
Beneficial Trust Ltd.	14 %	P. S. Refson & Co.	13 %
Bremar Holdings Ltd.	14 %	Roxburghe Guarantee	13½%
Brit. Bank of Mid. East	13 %	E. S. Schwab	13 %
■ Brown Shipley	13 %	Slavenburg's Bank	13 %
Canada Perm't Trust	13½%	Standard Chartered	‖13 %
Castle Court Trust Ltd.	13½%	Trade Dev. Bank	13 %
Cavendish G'ty T'st Ltd.	15½%	Trustee Savings Bank	13 %
Cayzer Ltd.	13 %	TCB Ltd.	13 %
Cedar Holdings	13 %	United Bank of Kuwait	13 %
■ Charterhouse Japhet	13 %	Whiteaway Laidlaw	13½%
Choulartons	14 %	Williams & Glyn's	13 %
Citibank Savings	¶12½%	Wintrust Secs. Ltd.	13 %
Clydesdale Bank	13 %	Yorkshire Bank	13 %
C. E. Coates	14 %		
Consolidated Credits	13 %		
Co-operative Bank	*13 %		
Corinthian Secs.	13 %		
The Cyprus Popular Bk.	13 %		
Duncan Lawrie	13 %		
Eagil Trust	13 %		
E.T. Trust	13½%		
Exeter Trust Ltd.	14 %		
First Nat. Fin. Corp.	15½%		
First Nat. Secs. Ltd.	15½%		
Robert Fraser	14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposit 10%, 1-month 10.25%. Short term £8,000/12 month 12.6%.
† 7-day deposits on sums of: under £10,000 10¼%, £10,000 up to £50,000 11%, £50,000 and over 11½%.
‡ Call deposits £1,000 and over 10%.
‖ 21-day deposits over £1,000 11¼%.
§ Demand deposits 10¼%.
¶ Mortgage base rate.

Gilts end with widespread gains following good demand
Equities up on institutional support—Blue Circle weak

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Mar 15	Mar 25	Mar 26	Apr 5
Mar 29	Apr 15	Apr 16	Apr 26
Apr 19	Apr 28	Apr 29	May 10

* "New time" dealings may take place from 9.30 am two business days earlier.

Stock markets made a good showing yesterday on the back of a sharp improvement in British Funds which ended with widespread gains to a full point and occasionally more.

The rally in gilts had started in Tuesday's late business, buying from domestic and overseas sources resulting in opening gains yesterday to ½. After initial hesitation caused by overnight U.S. short-term interest rate trends and early weakness in sterling, the market moved ahead again on buying in a thin market before boiling over and coming slightly off the top although quotations appeared to be hardening again late.

Low-coupon stocks attracted a good following and stood out with Treasury 3 per cent 1985 rising a point to 80½ and Treasury 3 per cent 1978-88 putting on ⅞ to 63½. Shorts, generally, ended up to ½ better, and the bigger gains occurred in the mediums and longs.

The Government Securities index rose 0.63 to 68.93, thus picking up most of the ground lost since last Wednesday's 69.13. The one dull sector of the gilt market was provided by index-linked issues, which eased by ⅛ to ¼.

Tuesday's turn for the better in equities gathered momentum in heavier trading. The emergence of institutional buyers helped to push the leaders higher, but demand was impinging on a market short of stock and closing gains were out of proportion to the actual amount of business transacted.

Up 7.5 at the day's best at 2.00 pm, the FT Industrial Ordinary share index ended 6.2 up for a two-day rally of 13.4 to 568.5. Gains in the constituents ranged to double figures, as in Glaxo, Hawker Siddeley and Thorn EMI, but Blue Circle caused a slight drag with a drop of 14 to 450p on the threat of cheap cement imports.

Among the sectors, Life Insurances made the best showing following Legal and General's good figures, but Banks went against the trend again on continuing fears about the imposition of tougher tax measures.

Legal & General jump

Reflecting the much better-than-expected preliminary profits and 44 per cent final dividend increase, Legal and General advanced 14 to 246p, after 250p. Other Life issues moved up smartly in sympathy, particularly Prudential, which ended 11 higher at 250p, after 257p. Britannic, 276p, and Pearl, 410p, firmed 6 apiece, while Equity and Law, put on 4 to 408p. Among Composites, GRE's annual figures were deemed disappointing but the shares closed unaltered at 304p.

Revived fears of increased taxation caused the major clearing banks to move against the trend. Barclays, at 448p, sustained a fall of 10, while Midland lost 7 at 325p. Among Merchant banks, Kleinwort Benson added 6 afresh to 242p following comment on the results, while improvements of 4 and 8 respectively were seen in Charterhouse, 85p, and Hambros, 135p. Buying on recovery hopes lifted Guinness Peat 3 to 78p. Elsewhere, First National Finance Corporation continued to reflect bid speculation with a rise of 1½ to 41½p.

Breweries attracted institutional buying. An easier trend was discernible towards the close, but most still retained reasonable rises. Allied-Lyons rose 2½ more to 87½p, while Scottish and Newcastle added 1½ to 55½p. Continued takeover rumours lifted Merrydown Wine 3 more to 75p.

Cement issues turned dull following a report that the British Precast Concrete Federation are holding talks that could lead to cheap cement imports. Blue Circle lost 14 to 450p and Rugby Portland 5 to 86p, while Aberthaw shed 15 to 335p. Elsewhere in the Building sector, Feb International "A" put on 4 for a two-day gain of 8 to 92p; the preliminary results are due on April 15. Ruberoid, annual results due next Wednesday, gained 6 to 126p.

ICI attracted more buying interest than of late and touched 320p before settling a net 6 up at 318p. After the previous day's rise of 20 on revived bid hopes, Fisons closed 3 dearer at 310p, after 315p. Croda International firmed a penny to 82p following the preliminary results in line with the company's forecast.

Habitat good again

Leading Stores continued to make useful progress reflecting renewed institutional demand. Further encouragement was provided by another broker's bullish circular. Habitat Mothercare put on 5 to 139p and Gussies "A" jumped 13 to 523p, after 525p. Wilkinson Warburton's increased preliminary profits and dividend left the shares 6 higher at 94p. Support was also forthcoming for J. Hepworth, 3 up at 107p, and Dixons Photographic, 8 dearer at 178p.

Thorn EMI, 12 better at 435p, led the Electrical sector higher. Plessey put on 8 to 385p as did Racal, to 380p, while GEC ended 7 to the good at 825p, after 829p. Elsewhere, AB Electronic jumped 27 to 140p in response to the strong first-half profits recovery, more than quadrupled dividend increase and the Board's optimism about second-half prospects. Bowthorpe also reflected good results, with a gain of 10 to 230p, while Ferranti advanced 18 to 665p, after 670p, on news of the £49m contract to supply a weapon control system for the British navy. Bid hopes prompted a rise of 7 to 240p in Rediffusion but sporadic offerings in an unwilling market left Quest Automation 12 down at 53p, after 50p.

The better-than-expected preliminary profits and maintained dividend announced by Babcock International gave a boost to the Engineering sector. Babcock rose 9 to 106p, after 107p, while GKN put on 6 to 164p and Hawker 10 to 310p. Favourable trading statements also prompted a rise of 7 to 170p in Molins and an advance of 8 to 63p in R. Cartwright. Comment on the good figures helped Spirax-Sarco to put on 6 to 144p, while Laird, with annual figures scheduled for next Saturday, appreciated 5 to 122p.

Interest in Foods remained selective. Northern firmed 4 for a two-day gain of 10 to 168p. Jamesons Chocolates, already 4 firmer awaiting the preliminary results, touched 60p on the announcement before closing a net 6 up at 58p.

Leading Hotels and Caterers attracted institutional support. Trusthouse Forte featured with a gain of 7 at 125p, while Grand Metropolitan firmed 3 to 217p, after 219p. Ladbroke put on 8 to 169p awaiting today's preliminary results.

Miscellaneous industrial leaders closed with gains ranging to 10 following investment support in a market none-too-well supplied with stock. Glaxo were popular ahead of Monday's interim figures and closed 10 better at 526p. A friendless market since the gloomy profits forecast and proposed factory closures, Metal Box rallied 6 to 152p. Elsewhere, Smiths Industries revived with a rise of 20 to 365p and Pauls and Whites advanced 12 to 216p, after 218p, on renewed speculative buying fuelled by takeover hopes. Magnolia added 4 to 62p on the results, while Gomme, still reflecting an investment recommendation, hardened 2 afresh to 36p. Cawoods firmed 10 to 208p and BTR gained 6 to 336p. Cape Industries fell 15 more for a two-day relapse of 48 to 115p following the preliminary results. William Baird came on offer and fell 7 to 218p.

Aerospace issues continued to respond to scattered support, notably Flight Refuelling, 12 higher at 250p, and Dowty, 4 up for a two-day gain of 12 to 130p. Elsewhere, reports of a sharp increase in truck orders prompted call option activity in ERF, 5 up at 44p.

Richard Clay touched 76p before settling for a net gain of 5 at 73p, a rise of 24 since Tuesday's largely unsuccessful dawn raid on behalf of British Printing, unchanged at 36p; the latter's annual results are expected on Monday. Bunzl Pulp eased 3 to 174p following disappointing full-year results.

Interest in Oils petered out towards the close and quotations settled a few pence below the best. Shell ended 4 dearer at 380p, after 382p, while British Petroleum reverted to the overnight level of 288p, after 292p. Outside of the leaders, Burmah met support and firmed 4 to 123p while I. C. Gas put on 10 to 188p. Silkolene gained 25 to 195p following the good preliminary results and the board's confident statement.

Stockholders Far East Investment were unchanged at 97p; the price shown in recent issues was incorrect.

Shippings often finished higher. British and Commonwealth rose 10 to 388p, while Caledonia added 8 to 368p.

Bats featured firm Tobaccos with a gain of 13 to 418p following the apparent success of the group's latest initiative in the Marshall Field bid situation.

Among South African industrials, Tiger Oats spurted 175 to 825p following news of a possible merger between the company and the sugar interests of C. G. Smith.

Sogomana, 485p, gave up 15 of Tuesday's gain of 35 following confirmation of the proposed sale of about 528 acres of the Shelford Rubber Estate to local interests for around £3.5m. Elsewhere in Plantations, Castlefield were marked 10 higher at 390p after the doubled full-year profits, but Malakoff, also reporting, gave up 4 to 81p.

Golds steady

Another strong performance by the Financial Rand enabled South African Golds to hold up well in the face of the fall in the bullion price. The later fell $5.75 to $320 an ounce.

Turnover in Golds was minimal with technical factors outweighing activity in the shares.

Financials were erratic. In South Africans, coals moved ahead with "Amcoal" ⅜ firmer at £11½ and Transvaal Consolidated Land a point higher at £20.

Gold-orientated issues, however, met modest selling pressure, notably Goldfields of South Africa which gave up ½ to £26½. Gencor held at 740p ahead of the chairman's statement and annual report. In Diamonds, De Beers edged up 7 to 227p.

Australians continued to lose ground as overnight domestic markets declined ahead of the weekend election in Victoria. Turnover in London was quiet with most of the leaders tending to drift lower.

Tins were featured by persistent and heavy arbitrage buying of Hongkong Tin — up 120 to 450p—and Kinta Kellas—up 25 to 775p — amid widespread bid rumours.

Business in Traded Options continued to improve and contracts completed yesterday amounted to 1,797. Calls totalled 1,421 of which Courtaulds accounted for 252. Interest in puts was centred on BP with 138 deals arranged.

Rule 163 (2) stocks

Quotations of shares dealt in under Special Rule 163 (2) have been deleted from the FT Share Information Service. Under the Rule, specific bargains in securities not listed on any Stock Exchange can be made only after application for permission to deal has been made to and granted by the Stock Exchange Council.

Prices at which business is done in such securities will continue to be published in our Stock Exchange Dealings feature in Saturday issues; this covers business done in the five trading days up to and including the previous Thursday.

The decision to exclude the share quotations from our two main prices pages stems from increasing difficulties connected with price collection and from the fact that most quotations of them on a daily basis have become unreliable.

Stock Exchange rules pertaining to 163 (2) dealings were tightened last December by withdrawing the facility for jobbers to quote a two-way price or otherwise make a *market other than to the* limited extent necessary to facilitate matching bargains or the winding-up of deceased estates. At the same time, jobbers were prohibited from publishing price movements in 163 (2) stocks on their boards.

New capital issues

Statistics compiled by Midland Bank show that the amount of "new money" raised in the UK by the issue of marketable securities in March was £239.8m, considerably higher than the £148.5m achieved last month and the £164.8m recorded in March last year. In the first three months of the year £515.7m was raised, compared with £568.0m in the first quarter of 1981.

The 17 company issues in March totalled £130.5m, nearly 60 per cent of which was accounted for by three issues—Thomas Tilling (£28.1m), Reed (Nederland) NV (£25m) and TransCanada Pipelines (£24.6m); £167m or 70 per cent of all issues was denominated for use overseas, with the International Bank for Reconstruction and Development contributing £99.5m of the total.

In March 17 local authorities, the highest number since the 19 issues in January last year, raised £9.8m all by way of yearling bonds.

FINANCIAL TIMES STOCK INDICES

	Mar. 31	Mar. 30	Mar. 29	Mar. 26	Mar. 25	Mar. 24	A year ago
Government Secs	68.93	68.30	68.23	68.69	68.91	69.13	70.13
Fixed Interest	69.59	69.38	69.39	69.56	69.66	69.59	71.57
Industrial Ord	568.5	562.3	556.1	557.7	559.9	562.6	529.8
Gold Mines	346.7	346.8	336.4	337.6	340.7	254.8	341.7
Ord. Div. Yield	5.54	5.61	5.67	5.63	5.61	5.58	6.17
Earnings, Yld.% (full)	11.07	11.19	11.31	11.26	10.73	10.68	12.34
P/E Ratio (net) (*)	11.37	11.24	11.12	11.19	11.85	11.91	10.17
Total bargains	24,597	23,039	21,013	22,902	23,047	19,893	34,139
Equity turnover £m.	—	135.06	119.10	155.85	141.33	202.16	182.86
Equity bargains	—	22,458	18,337	19,129	20,169	20,606	31,919

10 am 563.0. 11 am 565.4. Noon 563.9. 1 pm 558.7. 2 pm 569.6. 3 pm 568.5.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.36.

HIGHS AND LOWS — S.E. ACTIVITY

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low		Mar. 30	Mar. 29
Govt. Secs.	69.55 (31/3)	61.80 (5/1)	127.4 (9/1/35)	49.18 (3/1/75)	Daily Gilt Edged Bargains	171.7	177.5
Fixed Int.	69.66 (25/3)	62.79 (7/1)	150.4 (28/11/47)	50.53 (3/1/75)	Equities Bargains	145.5	118.8
					Value	275.0	240.7
Ind. Ord.	579.8 (29/1)	518.1 (5/1)	597.3 (30/4/81)	49.4 (26/6/40)	5-day Avrg. Gilt Edged Bargains	182.8	195.7
Gold Mines	302.0 (5/1)	209.2 (8/3)	558.9 (22/9/80)	43.5 (26/10/71)	Equities Bargains	130.5	128.9
					Value	305.5	322.3

MONTHLY AVERAGES OF STOCK INDICES

	March	February	January	December
Financial Times				
Government Securities	68.38	65.42	63.05	62.97
Fixed Interest	68.65	65.44	63.53	63.67
Industrial Ordinary	560.3	565.6	543.4	522.8
Gold Mines	334.0	275.4	282.3	325.6
Total Bargains	22,872	20,013	17,606	14,087
F.T.—Actuaries				
Industrial Group	315.88	315.71	300.98	286.74
500 Share	343.40	344.93	334.06	320.19
Financial Group	261.25	260.35	251.27	253.46
All-Share (750)	322.41	325.60	314.84	310.04
	High		Low	
Industrial Ordinary	568.5 (31st)		550.8 (1st)	
All-Share	326.59 (31st)		317.18 (1st)	

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+or−	Div.	Times covered	Gross yield	P/E ratio
142	F.P.	[illegible]	[illegible]	[illegible]	Amersham	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
15	F.P.	[illegible]	[illegible]	[illegible]	Cambrian & Gen. 7½p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Dew (George)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Eldridge Pope £1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Float Holdings 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Greenfriar Warrants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Simm. Bus. Sys. 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Leisure Inds.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Malaysian Tin 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Oceonics 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Osprey Assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	R. K. Industrials	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	York Mount.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Zambia Cons Cpr 8½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price £	+or−
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Barclays 16% Ln. Stk.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Boddingtons Brew. 9½% Cnv. Ln.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bristol Water 9% Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hunting Pet. 10% Cnv. Ln. 1997	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Int. Bank 14% Ln. 1987	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lee Valley 9½% Red. Prf. 1988	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nationwide Bdg. Soc. 14½%	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Ropners 11½% Cum. Prf.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Trans Canada Pipelines 16½% Notes 1987	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+or−
70	[illegible]	[illegible]	[illegible]	[illegible]	Clyde Petroleum	[illegible]	[illegible]
40	[illegible]	[illegible]	[illegible]	[illegible]	Energy Finance 10p	[illegible]	[illegible]
30	[illegible]	[illegible]	[illegible]	[illegible]	First Castle 10p	[illegible]	[illegible]
160	[illegible]	[illegible]	[illegible]	[illegible]	Hunting Pet. Services	[illegible]	[illegible]
A$2.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Nil	[illegible]	[illegible]	[illegible]	Platignum	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	M.L.M.	[illegible]	[illegible]
98	[illegible]	[illegible]	[illegible]	[illegible]	Riley Leisure	[illegible]	[illegible]
74	[illegible]	[illegible]	[illegible]	[illegible]	St. George's Grp. 10p	[illegible]	[illegible]
110	[illegible]	[illegible]	[illegible]	[illegible]	Security Centres	[illegible]	[illegible]
11	Nil	[illegible]	[illegible]	[illegible]	Shaw & Marvin 10p	[illegible]	[illegible]
10	[illegible]	[illegible]	[illegible]	[illegible]	Sturla 10p	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ◊ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. || Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ‡‡ Unlisted Securities Market. ‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(a). †† Unit comprising five ordinary and three Cap shares.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
AB Electronic	140	+27	Grand Metropolitan	217	+3
BAT Industries	415	+10	GUS "A"	523	+13
Blue Circle	450	−14	Legal and General	246	+14
Bowthorpe	230	+10	Prudential	250	+11
Clay (Richard)	73	+5	Rugby Portld. Cement	86	+5
Glaxo	526	+10	Trusthouse Forte	125	+7

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List

Stock	No. of price changes	Tuesday's closing price pence	Day's change	Stock	No. of price changes	Tuesday's closing price pence	Day's change
Shell Transport	31	376	+10	GEC	18	818	+8
De Beers Defd.	28	220	+7	Turner & Newall	17	62½	+6½
Lasmo	23	307	+17	BP	16	288	+4
Barclays Bank	19	458	+8	Consd. Gold	16	381	+5
BP Property	19	440	+5	Courtaulds	16	88	+4
Brit. Aerospace	18	193	+13	Racal Electronic	16	372	+2
Fisons	18	307	+20	RTZ	15	413	+1

OPTIONS

First Dealings	Last Dealings	Last Declarations	For Settlement
Mar 22	April 2	July 1	July 12
Apr 5	Apr 26	July 15	July 26
Apr 26	May 7	July 29	Aug 9

For rate indications see end of Share Information Service

Call options were completed in First National Finance, Booker McConnell, Premier Oil, Trident TV A, Huntley and Palmer, ICL, Turner and Newall, Sovereign, Gomme, Appleyard, Brown and Jackson, Howard Tenens, Chloride, Woolworths, J. Hepworth, ERF, Carpets International, Sound Diffusion, Hawtin, Marley and KCA International. A put was done in Tozer Kemsley and Millbourn, while doubles were taken out in First National Finance and ICL.

APPOINTMENTS

Co-operative Bank reorganisation

A reorganisation of top management at the Manchester-based CO-OPERATIVE BANK has been brought forward following the recent death of the joint general manager in charge of domestic banking, Mr Alfred Bassford.

The major change is the creation of a new function — joint general manager in charge of administration. Mr John *Cameron has been appointed to* this post, combining personnel services with other bank group responsibilities including the Skelmersdale centre, which provides the "back-office" service to the bank's 71 branches.

★

The HONGKONG AND SHANGHAI BANKING CORPN has made various changes in the management structure of its insurance group. Mr John R. Millner, previously insurance *adviser of the Bank, has been* appointed chief executive, insurance group with responsibility for the Bank's insurance activities worldwide. He has also been appointed deputy chairman of Carlingford Insurance Co., Carlingford Life and General Assurance Co., and Gibbs Insurance Consultants. Mr Ronald D. L. Urquhart has been appointed financial director of the insurance group. He also joins the boards of Carlingford Insurance Co., Carlingford Swire Assurance, and Carlingford International. Mr Geoffrey A. Foster, formerly general manager, has been appointed managing director of Carlingford Insurance Co. and Carlingford Life and General Assurance Co. Mr Anthony P. Hope has been appointed to the board of Gibbs Insurance Consultants and remains the company's general manager.

★

Mr Peter J. Dale has been appointed head of the investment department at COMMONWEALTH DEVELOPMENT FINANCE CO. from April 1.

★

Mr G. Carnell has been appointed marketing director of FAIREY ARLON, a member of the filtration division of Fairey Holdings. He was group product planning manager for Fram Europe.

★

Mr P. H. Swan and Mr M. S. Cohen will be retiring from the partnership of PHILLIPS AND DREW, stockbrokers, on May 31. On June 1 the following will join the partnership: Mr I. N. Allan, Mr R. S. Baldwin, Mr W. J. Horwood, Mr A. P. Jones and Mr P. M. C. Meredith.

★

Mr Ray Ferrin has been appointed managing director of MURJANI UK and Europe. He was formerly general manager, leisure division of Vidal Sassoon. Mr Jo Benjamin, formerly freelance textile and fashion consultant, has been appointed licensing director of Murjani.

★

Mr Peter Wigley has been appointed managing director of ALCAN WINDOWS, Leeds.

★

Mr Tony Parkinson has been promoted to general manager of the CO-OPERATIVE WHOLESALE SOCIETY'S computer group, following three years as the group's manager, retail services.

★

SANDERS & SIDNEY has appointed Mr Mervyn Francis as a non-executive director. He was managing director and then deputy chairman of Foote, Cone and Belding, before his retirement.

★

Mr Graham Meek has been appointed executive director on the main board of BOVIS CIVIL ENGINEERING with special responsibilities for marketing co-ordination and company strategy, a new post.

★

The INSTITUTE OF PRINTING has elected Mr George *Macaulay, director-general of* printing at HMSO, as president. He will succeed Sir Michael Clapham, on April 17.

★

Bradstock, Plunket & Crawley and E. W. Blanch Co. have fromed a joint-venture broking company B R A D S T O C K BLANCH, with *Mr D. F. Bradstock* as chairman and Mr E. W. Blanch, Mr R. Arnold, Mr P. W. J. Cresswell and Mr Woll as directors.

★

Mr W. Boulton has joined the executive staff of the BET COMPANY. He has also become chairman of the group's three plant hire companies—Eddison Plant, Grayston and J. D. White —in succession to Mr G. F. Gray, who has retired. Mr Boulton is deputy chairman of all three plant hire companies and managing director of Grayston.

★

Mr Raymond W. Ruse has joined GULF INTERNATIONAL BANK in London as vice-president. He will be responsible for the business development activity of the Bank in the UK.

★

Mr C. C. Bates is to be inaugurated president of THE SOCIETY OF ENGINEERS.

★

Dr A. J. W. Cameron will be leaving Carrington Viyella on June 1 to become chief executive of the knitted garment manufacturer, ROBERT H. LOWE.

NEW HIGHS AND LOWS FOR 1982

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1982.

NEW HIGHS (114)

BRITISH FUNDS (7)
COM'WEALTH & AFRICAN LOANS (3)
BANKS (3)
BEERS (8)
BUILDINGS (4)
CHEMICALS (1)
DRAPERY & STORES (13)
ELECTRICALS (8)
ENGINEERING (9)
FOODS (2)
HOTELS (3)
INDUSTRIALS (18)
INSURANCE (5)
LEISURE (3)
MOTORS (4)
NEWSPAPERS (1)
PAPER (2)
PROPERTY (4)
TEXTILES (4)
TOBACCOS (1)
TRUSTS (8)
OIL & GAS (1)
MINES (1)

NEW LOWS (43)

BRITISH FUNDS (1)
Treas. 2pc I.L. '88 (£50 paid)
CORPORATION LOANS (3)
Bath 11½pc 1985 — Burnley 13pc 1987
B'ham 12½pc 1985
AMERICANS (1)
Rep. N.Y. Corp.
BANKS (2)
Grindlays — Midland
BUILDINGS (5)
Blue Circle — Int. Timber
Crouch (D.) — Phoenix Timber
Douglas (Robt. M.)
STORES (2)
Helene of London — Liberty N-V
ELECTRICALS (5)
Fujitsu — Pilco
Highland Elec. — Quest Auto
Nippon Elec.
ENGINEERING (4)
Eva Inds. — Porter Chadburn
Neill (J.) — Simon Engineering
FOODS (1)
F.M.C.
INDUSTRIALS (4)
Ashley Ind. Trust — Diamond Stylus
Cape Inds. — Sutcliffe Speakman
MOTORS (1)
Armstrong Eqpt.
TEXTILES (4)
S.E.E.T. — Shaw Carpets
Sekers Int. — Toray
TRUSTS (4)
Argo Inv. — Inv. in Success
Channel Is. Inc. — Scot. & Merc. A
OIL & GAS (1)
Offshore
OVERSEAS TRADERS (2)
Boustead — Mitchell Cotts
MINES (3)
Haoma — Gopeng Cons.
Ayer Hitam

RISES AND FALLS

	Rises	Falls	Same
British Funds	83	4	6
Corpns. Dom. and Foreign Bonds	27	8	48
Industrials	346	181	817
Financial & Props.	156	39	319
Oils	36	24	47
Plantations	1	4	18
Mines	29	35	96
Others	47	49	48
Totals	725	336	1,399

Castlefield Rubber ahead

For the six months ending December 31 1981 Castlefield (Klang) Rubber Estate increased its pre-tax profits from £346,000 to £698,000, including investment income of £283,000, against £145,000.

Turnover was also ahead at £1.78m (£1.02m), including £694,000 (£163,000) relating to produce purchased from neighbouring estates. Tax took £341,000 (£112,000).

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Wed March 31 1982: Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tue Mar 30 Index No.	Mon Mar 29 Index No.	Fri Mar 26 Index No.	Thurs Mar 25 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (208)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (31)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (67)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (11)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	Motors (21)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Other Industrial Materials (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GROUP (201)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Brewers and Distillers (21)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	Health and Household Products (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	Leisure (24)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (45)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Other Consumer (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (78)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping and Transport (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (45)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (487)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (117)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (49)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Other Financial (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (112)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

	PRICE INDICES	Wed Mar 31	Day's change %	Tue Mar 30	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	111.86	+0.32	110.71	—	2.89
2	5-15 years	110.94	+0.84	109.92	—	1.43
3	Over 15 years	118.38	+0.98	114.26	—	3.94
4	Irredeemables	122.45	+1.35	120.81	—	[illegible]
5	All Stocks	112.15	+0.77	111.30	—	3.11
6	Debentures & Loans	87.83	+0.44	87.44	—	3.51
7	Preference	64.72	[illegible]	64.72	—	2.52

AVERAGE GROSS REDEMPTION YIELDS

			Wed Mar 31	Tue Mar 30	Year ago (approx.)
1	British Government Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]
11	Debs & Loans	5 years	[illegible]	[illegible]	[illegible]
12		15 years	[illegible]	[illegible]	[illegible]
13		25 years	[illegible]	[illegible]	[illegible]
14	Preference		[illegible]	[illegible]	[illegible]

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

هكذا من الأصل

INSURANCE BONDS

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked & Variable Rate

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

150	136	S. Rhod. 2½pc Non-Ass.	150	......	—	—
66	58	Do. 3½pc 80-85 Assd.	64	......	5.44	17.69
41	32	Do. 4½pc 87-92 Assd.	40xd	......	10.80	17.40
372	318	Zimbabwe Ann (£100pd)	335xd	......	—	21.94

LOANS

Public Board and Ind.

66	57¾	Agric. Mt. 5pc '59-89	62	......	8.22	13.69
273	243¼	Met. Wtr. 3pc 'B'	281½xd	......	10.61	12.94
108	103	U.S.M.C. 9pc 1982	105	......	3.58	—
99½	94	Do. without Warnts.	99½	......	9.30	—

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

338	210	ANZ $A1	215	......	Q28c	3.3	8.2	3.7
253	218	Alexanders D. £1	218	......	18.5	—	12.1	—
£61	£56½	Algemene Fl.100	£58½	......	Q26%	ϕ	9.5	ϕ
100	80	Allied Irish	80	−2	043.9%	5.5	11.2	2.3
19¼	13¼	Ansbacher (H.) 5p.	16	......	0.35	—	3.8	—
260	200	Bk. Ireland £1	205	......	Q28.9%	—	11.6	—
5	4	Bk. Leumi $0.1	5	......	012%	—	0.7	—
240	210	Bk. Leumi (UK) £1	220	......	610.15	—	6.6	—
180	153	Bk. N.S.W. $A1	157	......	Q24c	2.9	9.3	3.7
518	425	Bank Scotland £1	432	−3	†17.5	5.7	5.8	3.2
510	440	Barclays £1	448	−10	†22.0	5.1	7.0	3.0
240	220	Brown Shipley £1	235	......	16.5	—	4.0	—
325	275	Cater Allen £1	320	......	23.1	—	10.3	—

BANKS & H.P.—Cont.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHERS

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1982 High	Low	Stock	Price	+ or –	Div. Net	Cvr	Yld Gr's
120	75	Falcon Rh.50c	75	–5	025c	10.3	24.8
33	20	Wankie Col. Z$1	22	–1	03c	1.2	10.2
21	15	Zam.Cpr.SBD0.24	17	......	—	—	—

Australian

Tins

Copper

Miscellaneous

NOTES

REGIONAL MARKETS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 38

FINANCIAL TIMES

Thursday April 1 1982

U.S. may mediate in Falklands row

BY JIMMY BURNS IN BUENOS AIRES

THE U.S. has offered to mediate between Britain and Argentina amid signs that the deadlock over the Falkland Islands dependency of South Georgia may develop into a military confrontation.

It is understood that the Argentine Government has told Britain it will not withdraw its naval presence from Falkland waters unless Britain recognises Argentine sovereignty over the island.

The dispute emerged when 12 Argentine scrap metal merchants landed on South Georgia and raised their national flag. An Argentine newspaper reported that its navy would defend vigorously attempts to remove the merchants.

Diplomats here confirmed yesterday that Mr Harry Shlaudeman, the U.S. Ambassador in Buenos Aires, had been in the current negotiations over South Georgia since the beginning of the week.

The U.S. wants to bridge what it sees as an increasingly entrenched and irreconcilable positions. "Britain and Argentina are no longer talking with each other, they are talking past each other," said one diplomat.

The diplomat would not, however, give details of what appears to have been a concrete U.S. proposal to solve the crisis.

The U.S. is understood to believe that Britain initially misjudged the seriousness of the dispute over the Falkland Islands and has reacted slowly to the growing Argentine military presence in the area.

Officially, the U.S. continues to recognise British sovereignty over the islands and dependencies but it now fears the prospect of a military confrontation between two of its closest allies in the South Atlantic.

The Argentine Foreign Ministry yesterday ignored Tuesday's statement in the Lords by Lord Carrington, the Foreign Secretary, and said it was still awaiting a formal reply to its demands from Mr Anthony Williams, the British Ambassador to Argentina.

The Ministry also confirmed that two submarines, two destroyers and an aircraft carrier had left Argentine ports in the South Atlantic. They will join the two Corvettes and transport ship which are shadowing Britain's HMS Endurance near the disputed island. Unconfirmed reports from London state that the British nuclear submarine Superb has sailed from Gibraltar for the Falkland Islands. Two other British submarines may also have been despatched. Argentine transport planes have been circling the area in the past 48 hours, according to islanders.

In his Lords statement Lord Carrington insisted on British sovereignty over the Falkland Islands and described the dispute as "potentially dangerous." He said Britain was still looking for a diplomatic solution to the problem, though Mr Richard Luce, Minister of State at the Foreign Office, asked about the possible use of force, had earlier said Britain would "defend and support the islanders to the best of our ability."

Stephanie Gray adds: The Foreign Office said yesterday Britain had approached none of its allies to mediate in the dispute. They had been informed of developments, but negotiations had been bilateral.

Whitehall officials confirmed that Britain had not responded to Argentine proposals on the future of the Falklands which followed fruitless talks in New York in February. These included plans for the negotiating teams to meet monthly "to achieve substantial results."

The officials said Argentine threats to use "other means" to end the dispute had delayed a response.

Nigeria to reschedule five-year plan

BY QUENTIN PEEL, AFRICA EDITOR

PRESIDENT Shehu Shagari of Nigeria yesterday announced that the country's ambitious $125bn (£70bn) five-year development plan would have to be rescheduled, and priorities rearranged, in response to the drop in the country's oil revenues.

He also accused Western oil-consuming countries, and the International Energy Agency, of manipulating their stockpiles of oil in an attempt to drive down oil prices, but pledged his government's loyalty to the Organisation of Petroleum Exporting Countries which is trying to maintain a $34 a barrel preference price in the face of the world oil glut.

President Shagari was speaking as Sheikh Ahmed Zaki Yamani, Saudi Arabia's Minister of Oil, confirmed that he has been discussing with other oil ministers the possibility of holding a special Opec meeting to discuss the Nigerian situation.

Speaking to the European-Atlantic Group in London last night Sheikh Yamani said: "If the international oil companies are trying to force Nigeria to bring down the price of its oil to North Sea levels then this is not fair.

"It is particularly unfair because the present oversupply of oil is only a temporary situation and will begin to be corrected before the end of this year. We are preparing ourselves for a meeting of Opec to discuss this."

The Nigerian Head of state told members of the National Assembly in Lagos, in a speech broadcast on the national radio, that "we are seeing now another attempt to break Opec, similar to that in 1974."

He said that Nigeria, the Opec member state under the greatest pressure to cut its oil price, because of a slump in sales, would "continue to be a loyal and active member." Its government regarded Opec's aims and objectives as "eminently laudable."

But President Shagari admitted that big wage rises and a soaring import bill for food, capital goods and spares had put a heavy strain on Nigeria's economic resources.

He said that while the Fourth National Development Plan, which sets out the government's major spending plans until 1985, remained "basically valid . . . projects and priorities will be rescheduled and rearranged."

The President spelt out no further details of possible delays or cuts in the programme, which includes spending $4.7bn on the establishment of a steel industry, $3.9bn on building a new capital city at Abuja, and $2.5bn on a standard gauge railway line, among its biggest individual projects.

The government had decided "to slow down considerably on the disbursement of foreign exchange resources." The liberalisation of the government's import policy had been much abused.

President Shagari said the restrictions on processing foreign currency applications, and on banks' issuing new letters of credit for imports, did not amount to an import ban. The Central Bank was carrying out an analysis of foreign exchange commitments, and he had directed that the operation should be completed by mid April.

But businessmen in Lagos are expecting the review to result in further drastic restrictions on Nigerian imports, currently running at about $650m a month above export earnings from oil. It is thought that senior officials want the monthly import bill cut from its present $1.85bn to $1.16bn.

Occupation at Massey tractor plant

By Arthur Smith, Midlands Correspondent

MASSEY-FERGUSON'S 3,300 manual workers occupied the Coventry tractor factory yesterday after voting to strike in protest at the company's decision to press ahead with 170 compulsory redundancies.

Last night was the deadline for the 725 redundancies the company said were crucial to raising productivity and making the plant competitive. Most of the cuts were achieved through volunteers, but the company insisted that the final 170 would have to go.

The unions, which had been arguing for a policy of work-sharing, were confident their protest would be effective. "On no grounds will we accept compulsory redundancies," Mr Jimmy Dunn, the convener, said last night.

He was organising pickets at one of the gates at the sprawling factory, one of the biggest tractor assembly plants in Western Europe. Tractors had been drawn across the entrances to prevent vehicles entering or leaving.

Pallets of heavy castings provided an additional barrier. Workers were fuelling makeshift braziers to prepare for an all-night vigil.

The final breakdown of negotiations and sudden occupation came as a surprise as both sides had been optimistic of a peaceful settlement. During a dispute earlier this month the company warned that industrial action could put its future at risk.

Massey has said in negotiations that the latest shake out of labour has not been caused by falling demand but was necessary to make the Coventry plant internationally competitive and ensure its long-term future. The company has introduced a new range of tractors, standardised manufacture, and achieved considerable cost savings.

UK oil products demand fell 7.6% last year

BY RAY DAFTER, ENERGY EDITOR

DEMAND for oil products in the UK fell last year to the lowest level since 1965, according to the Institute of Petroleum.

Deliveries of products—including the fuel needed to operate the refineries—totalled 71.6m tonnes last year, 7.6 per cent less than in 1980 and almost one-third below the peak demand of 1973.

The institute said yesterday that in the early 1970s companies were planning their refining and marketing strategies on the assumption that demand would now be running well in excess of 150m tonnes a year.

The drop in demand has been particularly marked in the past two years. In 1979, it was 91.1m tonnes. When refinery fuels are excluded from the reckoning, the plight of the oil companies is seen to be even more serious: total UK demand for refined products such as petrol, fuel oil, heating oil and chemical feedstocks was only 65.7m tonnes last year.

The oil industry sees little prospect of an immediate improvement. Mr Ian Walker, managing director of BP Oil, estimates that this year's demand for products is unlikely to rise above 66m to 67m tonnes.

Figures from the Energy Department yesterday show that UK oil consumption is still running below last year's level: demand in January and February (on a primary fuel input basis) totalled 10.9m tonnes, about 1 per cent less than in the first two months of last year.

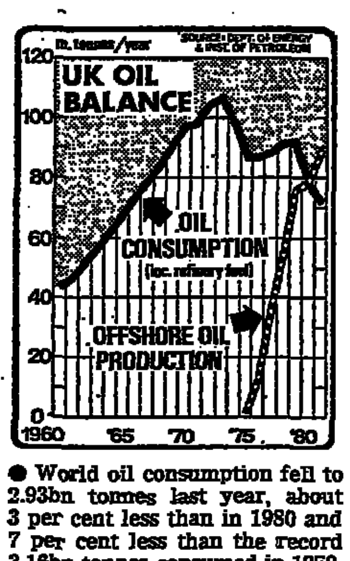
The department's statistics also show that coal consumption is outstripping oil demand by about 6.5 per cent. Coal overtook oil as the UK's main energy source last year for the first time in ten years.

The switch from oil to coal by some energy users, particularly the Central Electricity Generating Board, has contributed to the oil industry's problems. Refiners and marketers have also been hit by the recession and conservation measures.

As a result oil companies have been shutting refineries and oil processing plants in an effort to absorb losses and to prepare for a market with much lower demand growth projections. By the end of this year UK refinery capacity should be about 108m tonnes a year compared with a peak of almost 150m tonnes in 1974.

The drop in consumption has coincided with a swift rise in UK oil production, virtually all of it from the North Sea. Total UK output last year was 89.4m tonnes, 11.1 per cent more than in 1980. Production has risen again, according to the Energy Department—to 23.2m tonnes in the December-February period an increase of 7.7 per cent over the corresponding quarter a year earlier.

The scope for increasing net exports of crude oil is expanding. The Government forecasts that UK production of North Sea oil could rise to between 95m and 130m tonnes over the next three years.



● World oil consumption fell to 2.93bn tonnes last year, about 3 per cent less than in 1980 and 7 per cent less than the record 3.16bn tonnes consumed in 1979, Esso AG, the West German subsidiary of Exxon, said yesterday. Worldwide proven reserves of crude oil rose to 91.5bn tonnes at the end of last year from 88.4bn tonnes at the end of 1980.

Continued from Page 1

Schmidt

Community countries are agreed in their desire to avoid a trade war with the East.

Herr Schmidt underlined that in the communique issued after the European summit meeting this week, it was stated that economic co-operation had helped stabilise East-West ties and should be maintained.

The Chancellor denied that this would mean a row with the U.S. at the Western Economic Summit meeting in Versailles, also in June.

Margaret van Hattem writes: Mrs Thatcher won strong backing from both sides of the Commons yesterday for her firm stand on Britain's Budget payments at this week's EEC summit.

Mr Michael Foot promised her very considerable support for as long as she fought to defend Britain's "legitimate interests." He said she should demand a zero net contribution.

Mr Roy Jenkins, former EEC Commission President, speaking on his second day as SDP member for Hillhead, promised his full support for the Prime Minister's fight

Income shifts to company profits

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THERE WAS a substantial shift in national income from workers to company profits in the second half of last year, according to official figures published yesterday.

Reversing a long-standing trend, company profits increased by a quarter in the second half of the year compared with the first half, while for the year as a whole, real take-home pay fell by 2 per cent.

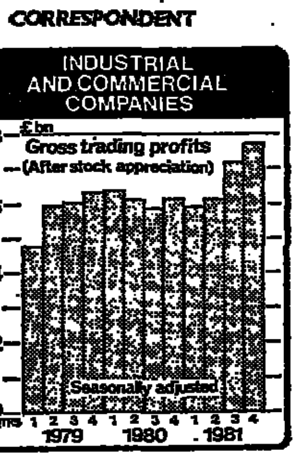
The company sector benefited from the moderate rise in wages last year as well as from the reduction in stocks and the shake-out of labour which enabled it to make substantial increases in productivity, even while output was falling.

The improvement in company profits is expected to continue this year, and the Treasury has predicted a further fall in real take-home pay.

Both these changes would accord with the Government's strategy for revitalising the company sector.

The decline in living standards last year was the first since 1977.

Real personal disposable incomes fell by 1 per cent in the first quarter, mainly because wages lagged behind price increases.



A further fall of 2½ per cent in the second quarter resulted largely from the 1981 Budget measures, which included a sharp increase in taxation.

In the second half of the year, however, living standards were little changed.

During last year as a whole total income-tax receipts rose by 12 per cent and total National Insurance contributions by 17 per cent, compared with a rise of only 8 per cent in wages and salaries paid during the year. This was the smallest rise in the wage and salary bill for 13 years.

The rise in gross corporate trading profits outside the North Sea oil sector was 25 per cent in the second half of 1981, after subtracting stock appreciation.

Real profits had sunk to a historically low level by late 1980, after a steady decline since 1979.

However, the total of real *personal disposable income* had risen steeply in the past few years. It went up by 20 per cent through 1977 to the end of 1980.

The result was a substantial switch of national income from companies and shareholders to workers. The Bank of England has estimated that companies' real pre-tax return on trading assets fell from 11 per cent in 1963 to 2.9 per cent in 1980.

GDP increase, Page 8

Continued from Page 1

Heathrow

undermined its action by achieving a full service with the use of staff "volunteers."

Scotland Yard said the seven pickets would be bailed to appear at Uxbridge Magistrates' Court on a variety of dates.

They are likely to be charged with "remaining on the ground after being asked to leave" and "frequenting the airport without good reason."

Yen against dollar Continued from Page 1

intend to use curbs on capital outflows to support the yen. Later it was said Mr Maekawa meant quite the opposite.

The central banker had prefaced his remark by saying that after market intervention emergency measures were an "available option" which could be taken if conditions warrant.

Under Japan's present foreign exchange law the Finance Ministry can take steps to cut off capital outflows only when it considers the situation has reached emergency proportions.

In Paris, the Bank of France cut its day to day money market rate yesterday from 18 per cent to 17 per cent as the franc stabilised in the EMS at FFr 2.5877 to the D-Mark.

The bank's move follows a relative improvement in the French currency's position compared with early last week, when it touched its EMS floor level against the D-Mark of FFr 2.6205.

Dealers said yesterday much of the short-term speculation which had previously hit the franc had been switched to the Belgian franc, which fell in Paris to FFr 13.68 for 100 Belgian francs against 13.70 on Tuesday.

Weather

UK TODAY

MOSTLY dry with sunny intervals, becoming cloudy with showers in S.

London, S.E., S.E., S.W. England, Wales.

Rather cloudy, some sunny intervals. Showers developing in S. and W. Max. CC1 (52F).

Rest of England, Scotland, N. Ireland.

Dry, sumnw intervals. Max. 10C (50F).

Outlook: Rain spreading to many parts.

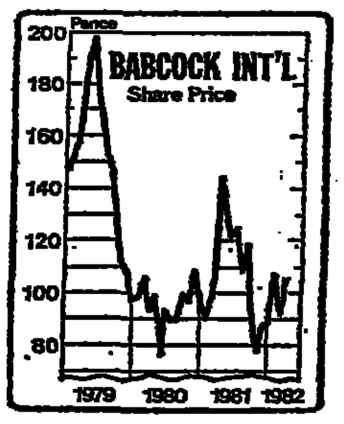
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	15	59	L. Ang.†	C	11	52
Algiers	F	20	68	Luxmbg.	F	5	41
Amsdm.	S	8	46	Luxor	S	30	86
Athens	C	17	63	Madrid	R	3	37
Bahrein	C	20	68	Majorca	C	12	54
Barcina.	F	9	48	Malaga	R	15	59
Beirut	S	23	73	Malta	R	18	64
Belfast	F	9	48	M'chstr.	C	9	48
Belgrd.	C	12	54	Melbne.		—	—
Berlin	S	8	46	Mx. C.†	S	29	84
Biarritz	F	10	50	Miami†	C	25	77
Bmghm.	C	6	43	Milan	S	15	59
Blackpl.	C	9	48	Montrl.†	R	5	41
Bordx.	C	7	45	Moscow	F	4	39
Boulgn.	F	6	43	Munich	C	9	48
Bristol	F	7	45	Nairobi	C	27	81
Brussels	F	6	43	Naples	F	16	61
Budpst.	C	15	59	Nassau		—	—
Cairo	F	28	82	Nwcstl.	S	7	45
Cardiff	F	8	46	N York†	S	16	61
Cas'b'ca	R	15	59	Nice		—	—
Cape T.	S	25	77	Nicosia	S	20	68
Chicg.†	F	7	45	Oporto	C	15	59
Cologne	S	10	50	Oslo	S	10	50
Cpnhgn.	S	7	45	Paris	C	6	43
Corfu	C	17	63	Perth	S	20	68
Denver†	C	11	52	Prague	C	5	41
Dublin	C	10	50	Reykjvk.	F	3	37
Dbrvnk.	C	13	55	Rhodes	C	16	61
Ednbgh.	C	9	48	Rio J'o		—	—
Faro	C	14	57	Rome	C	16	61
Florence	C	14	57	Salzburg	F	13	55
Frankft.	F	8	46	S F'cisc†	R	12	54
Funchal	R	17	63	S. Moritz		—	—
Geneva	C	7	45	Singapr.		—	—
Gibraltar	R	15	59	S'tiago†		—	—
Glasgow	C	10	50	Sockhm.	S	9	48
G'rnsey	C	6	43	Strasbg.	C	6	43
Helsinki	C	4	39	Sydney		—	—
H. Kong	C	21	70	Tangier	C	16	61
Innsbrk.	C	13	55	Tel Aviv	S	20	68
Invrnss.	C	9	48	Tenerife	F	21	70
I.o.Man	C	9	48	Tokyo	C	14	57
Istanbul	C	15	59	T'ronto†	C	8	46
Jersey	C	7	45	Tunis	F	21	70
Jo'burg	S	26	79	Valencia	C	9	48
L. Plms.	C	20	68	Venice	C	14	57
Lisbon	C	13	55	Vienna	C	9	48
Locarno	C	11	52	Warsaw	F	9	48
London	C	7	45	Zurich	C	3	37

C—Cloudy. F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.

THE LEX COLUMN

Treading water at GRE

Index rose 6.2 to 568.5



Guardian Royal Exchange has pushed its 1981 profits ahead only by the most slender of margins. But behind the £2m advance to £89.1m pre-tax lie some violent movements in underwriting and investment income.

Like the rest of the composite sector, GRE has come badly unstuck in most far-flung territories. In South Africa, the decline in the underwriting cycle has been exacerbated by an abnormal level of catastrophe losses, costing a gross £12m. So with the UK barely showing a profit, overall underwriting losses have multiplied almost five fold.

The investment income account has just about made up for this deterioration. Even after knocking out currency gains and the return on last year's rights issue cash, there has been an underlying rise of almost a quarter.

The improvement at the attributable level is largely due to exceptional factors, such as the release of stock relief provisions, so the 13 per cent hike in the total dividend presumably says something about future prospects.

On the face of it, they look none too cheery. Competition in the UK commercial and industrial lines is still growing and the bad weather has already produced claims of £10m. Even GRE's resilient U.S. business will struggle to make an underwriting profit this year and investment income growth is likely to be slower. But there should be some bounce in the present disaster areas. At 304p, the shares yield 8.5 per cent.

Babcock

One of the main aims of Babcock International in recent years has been to move away from its dependence on UK power engineering. The record on diversification has been patchy, to say the least, and ironically in 1981 it has been only the strength of the UK power group that has left profits looking respectable. After falling by 43 per cent in the first half, pre-tax profits have ended the year only 8 per cent down at £14.1m.

Trading profits in the UK power plant side have risen by 27 per cent to £10.7m, although abroad the power group has seen a downturn due to the elimination of £2m of profits in tough markets in Mexico and a temporary hiatus in South Africa. Other areas of recovery in the current year are mining equipment and the Keeler auto business in the U.S., while redundancy costs will be lower.

Helped by advance payments, Babcock has seen a 1981 cash inflow of £27.7m, so the interest charge should be lower in the current year. Profits may be above £23m in 1982, and the decision to hold the dividend in spite of an attributable current cost loss of £12.3m must have been buttressed by the easing of the problem of unrecoverable ACT, since two-thirds of profits arose in the UK. The shares rose 9p yesterday to 106p, where the yield is 9.8 per cent.

BAT/Marshall Field

Barring last-minute mishaps, BAT's U.S. subsidiary now seems to have got its hands on the Marshall Field department store group for around £200m, putting a lot of money into the pockets of the arbitrageurs in the process, and arousing conflicting feelings on different sides of the Atlantic. Detractors of the deal on Wall Street point out that Batus was the only company to show serious interest when Marshall Field put itself up for sale. And Marshall Field's recent record has been poor—a string of defensive acquisitions has stretched the balance sheet without spicing up the revenue account.

On the other hand, the best retailers are virtually impossible to buy and those that are available—particularly with big property assets—do not come cheap. The exit p/e of roughly 18 times historic recurring earnings is a full price, but not absurd by tobacco company standards; Batus should be able to release some cash from the less happy diversifications and there should be plenty of scope to push profits up from the present low base. The consensus view in London, where BAT can do no wrong at the moment, is positive, and yesterday the shares rose a further 13p to 418p.

Croda

Croda International has made the easy part of its two-part profits forecast, raising the 1981 pre-tax figure from £7.4m to £10.1m (with a short £1m of *property surplus in each year*). Making £16m in 1982 will be a lot harder, as the chemical cycle is not looking as favourable as it did a couple of months ago, and Croda will need a lot of help from rationalisation benefits.

The pick-up in 1981 relies heavily on a £1.3m fall in the interest charge, thanks to lower rates and the absence of the 1980 working capital bulge. Loss elimination in several areas of the business — gelatine, agriculture and edible oils — has been offset by problems in inks, acids, lants and, most importantly, general organics, where para-cresol plant has been operating at only 50 per cent capacity.

Seeing off Burmah has greatly lessened Croda's financial flexibility — retentions after the forecast 7p dividend are bound to be small again this year, but at least capital gearing is relatively low. The shares at 82p stand on a forecast p/e of 12 times fully-taxed, or nine times likely stated earnings, while the prospective yield is 12.5 per cent.

Weir Group

If the Stone-Platt reconstruction has left a liberal splattering of egg round the City, that of the Weir Group has been so successful that some shareholders may be wondering why *such extensive dilution* was exacted last spring. The £16.6m pre-tax turnround into profits of £8.3m in 1981 suggests that all the elements of recovery in the key pumps division—capital investment, rationalisation, tighter pricing—were already in place. The key element provided by the reconstruction has been customer confidence. Net debt has now fallen below half the level of shareholders' funds, compared with 65 per cent just after the reconstruction. At 63p, unchanged yesterday, the shares are more than three times their low last year, and stand on a historic p/e of below 10, fully taxed.